

Jackson Purchase Energy Corporation
Pay Changes 2001-2006 and Reasons for Changes in Test Year
Union Employees

Emp No.	2001	2002		2003		2004		2005		2006	
	Wage Rate Jan.-Dec.	Wage Rate Jan.-Dec.	% Inc.								
5-329										12.40 12.77	N/A 3.0%
5-186	23.38	24.01	2.7%								
5-309								24.79	N/A	25.54	3.0%
5-152	23.38	24.01	2.7%	24.64	2.6%						
5-280	10.84	13.36	9.1%	16.01	7.7%	17.60					
	11.92	13.72	2.7%	16.43	2.6%						
	12.25	14.87	8.4%	17.60	7.1%						
5-065	23.38	24.01	2.7%	24.64	2.6%	25.27	2.6%	26.28	4.0%	27.32	4.0%
5-071	23.38	24.01	2.7%	24.64	2.6%						
5-255	15.59	18.30	17.4%	21.36	16.7%	24.07	12.7%	24.79	3.0%	25.54	3.0%
5-302						23.47	N/A				
						24.07					
2-136	18.93	19.44	2.7%	19.95	2.6%	20.46	2.6%	21.07	3.0%	21.71	3.0%
5-112	23.38	24.01	2.7%	24.64	2.6%	25.27	2.6%	26.28	4.0%	27.32	4.0%
2-203	18.93	19.44	2.7%	19.95	2.6%	20.46	2.6%	21.07	3.0%	21.71	3.0%
5-292				11.44	N/A	14.08	9.1%	16.85	7.7%	19.83	6.7%
				11.74	2.6%	14.44	2.6%	17.35	3.0%	20.43	3.0%
				12.91	10.0%	15.65	8.4%	18.59	7.1%	21.71	6.3%
5-064	20.27	20.81	2.7%	21.36	2.6%	21.90	2.5%	21.90			
5-252	18.93	19.44	2.7%	19.95	2.6%	20.46	2.6%	21.07	3.0%	21.71	3.0%
5-245	22.27	22.87	2.7%	23.47	2.6%	24.07	2.6%	24.79	3.0%	27.32	10.2%
5-293				11.44	N/A	14.08	9.1%	16.85	7.7%	19.83	6.7%
				11.74	2.6%	14.44	2.6%	17.35	3.0%	20.43	3.0%
				12.91	10.0%	15.65	8.4%	18.59	7.1%	21.71	6.3%
5-253	21.16	22.87	8.1%	23.47	2.6%	24.07	2.6%	24.79	3.0%	25.54	3.0%
5-224	22.27	22.87	2.7%	23.47	2.6%	24.07	2.6%	24.79	3.0%	25.54	3.0%
5-219	22.27	22.87	2.7%	23.47	2.6%	24.07	2.6%	24.79	3.0%	25.54	3.0%
5-305								19.26			
5-226	22.27	22.87	2.7%	23.47	2.6%	24.07	2.6%	24.79	3.0%	27.32	10.2%
5-281	10.84	13.36	9.1%	16.01	7.7%	18.78	6.7%	21.90	7.0%	23.55	0.0%
	11.92	13.72	2.7%	16.43	2.6%	19.26	2.6%	22.56	3.0%	24.79	5.3%
	12.25	14.87	8.4%	17.60	7.1%	20.46	6.2%			25.54	3.0%

Jackson Purchase Energy Corporation
Pay Changes 2001-2006 and Reasons for Changes
Non-Union Employees

Emp No.	2001		% Inc.	2002		% Inc.	2003		% Inc.	2004		% Inc.	2005		% Inc.	2006	
	Wage Rate Jan.-Dec.	Wage Rate Jan.-Dec.		Wage Rate Jan.-Dec.	Wage Rate Jan.-Dec.		Wage Rate Jan.-Dec.	Wage Rate Jan.-Dec.		Wage Rate Jan.-Dec.	Wage Rate Jan.-Dec.		Wage Rate Jan.-Dec.	Wage Rate Jan.-Dec.			
2-154	16.31	16.31	0.0%	16.31	16.31	0.0%	16.31	16.31	0.0%	16.80	16.80	3.0%	16.80	16.80	0.0%		
4-297				14.58	14.58	N/A	16.07	16.07	10.2%	16.87	16.87	5.0%	17.88	17.88	6.0%		
4-050	27.01	27.01	0.0%	27.01	27.01	0.0%	27.82	27.82	3.0%								
4-317													47.11	48.03	2.0%		
5-178	27.67	29.36	6.1%	30.54	30.54	4.0%	32.37	32.37	6.0%	34.30	34.30	6.0%	36.53	36.53	6.5%		
4-321													15.87	15.87			
1-323													30.29	30.29	N/A		
4-181	16.97	16.97	0.0%	16.97	16.97	0.0%	17.48	17.48	3.0%	18.18	18.18	4.0%	18.91	18.91	4.0%		
4-298							16.00	16.00	N/A	16.00	16.00	0.0%					
6-277	19.06	20.59	8.0%	22.03	22.03	7.0%	23.13	23.13	5.0%	24.28	24.28	5.0%	25.61	25.61	5.5%		
2-220	13.62	14.16	4.0%	14.72	14.72	4.0%	15.31	15.31	4.0%	16.08	16.08	5.0%	16.80	16.80	4.5%		
4-287		10.00	N/A	10.00	10.00	0.0%											
6-300							16.52	16.52	N/A	17.18	17.18	4.0%	18.21	18.21	6.0%		
4-294				23.55	23.55	N/A	25.58	25.58	8.6%	27.75	27.75	8.5%	28.44	28.44	2.5%		
4-299							16.00	16.00	N/A	16.00	16.00	0.0%					
2-295				10.00	10.00	N/A	10.00	10.00	0.0%	10.75	10.75	7.5%	12.56	12.56	4.1%		
4-285		14.94	N/A	15.85	15.85	6.1%	17.12	17.12	8.0%	18.15	18.15	6.0%	19.33	19.33	6.5%		
5-106	27.15	27.15	0.0%	27.15	27.15	0.0%											
4-325													12.00	12.00	N/A		
6-311										10.00	10.00						
4-128	17.62	17.62	0.0%	17.62	17.62	0.0%	18.32	18.32	4.0%	19.05	19.05	4.0%	20.19	20.19	6.0%		
2-202	14.87	15.17	2.0%	15.63	15.63	3.0%	16.26	16.26	4.0%	17.07	17.07	5.0%	17.75	17.75	4.0%		
2-310										10.00	10.00						
4-288		21.63	N/A	24.75	24.75	14.4%	25.58	25.58	3.4%	26.99	26.99	5.5%	27.53	27.53	2.0%		
1-276	12.90	12.90															
4-319													15.26	15.26	N/A		
5-137	19.00	19.00	0.0%	19.00	19.00	0.0%											
4-180	13.59	13.59															
2-318													10.00	10.00	N/A		
4-267	10.83	12.15	12.2%	12.64	12.64	4.0%	13.27	13.27	5.0%	14.33	14.33	8.0%	15.48	15.48	8.0%		

Jackson Purchase Energy Corporation
Pay Changes 2001-2006 and Reasons for Changes
Non-Union Employees

Emp No.	2001	2002	% Inc.	2003	% Inc.	2004	% Inc.	2005	% Inc.	2006	% Inc.
	Wage Rate Jan.-Dec.	Wage Rate Jan.-Dec.		Wage Rate Jan.-Dec.		Wage Rate Jan.-Dec.		Wage Rate Jan.-Dec.		Wage Rate Jan.-Dec.	
3-306								10.00			
2-018	16.45	16.45	0.0%	16.45	0.0%	16.78	2.0%	17.12	2.0%	17.46	2.0%
3-307								10.00 10.50 10.50	5.0% 0.0%	10.50	2.0%
4-257	13.24	14.32	8.2%	14.75	3.0%	15.05	2.0%	15.80	5.0%	16.83	6.5%
4-025	21.27	21.91	3.0%	21.91	0.0%	25.27	15.3%	26.28	4.0%	26.28	
3-324										10.00 10.25	N/A 2.5%
3-327										10.00	
2-290				10.00	N/A						
2-017	17.38	17.38	0.0%	17.38	0.0%	17.73	2.0%	17.73	0.0%		
2-315								12.07	N/A	13.05	8.1%
5-186				27.65	15.2%	29.03	5.0%	31.25	7.6%	32.81	5.0%
3-264	16.83	19.69	17.0%	20.99	6.6%	21.83	4.0%	23.14	6.0%	24.06	4.0%
2-104	16.94	16.94	0.0%								
2-291				10.00	N/A						
1-284		13.20	N/A	14.00	6.1%	15.38	9.9%	15.70	2.1%	18.44	17.5%
3-269	9.77	10.16	4.0%	10.41	2.5%	10.62	2.0%	10.62	0.0%		
2-192	13.78	14.06	2.0%	14.41	2.5%	14.55	1.0%	14.99	3.0%	15.29	2.0%
5-152						29.03	17.8%	30.48	5.0%	32.00	5.0%
4-296				10.00	N/A	10.00	0.0%				
2-326										10.00	N/A
2-313								12.07 12.55	4.0%	12.55 15.00	N/A
2-194	19.51	20.69	6.0%	21.93	6.0%	22.47	2.5%	23.83	6.1%	24.89	4.4%
4-182	15.45	16.15	4.5%	16.63	3.0%						
1-218	16.38	17.00	3.8%	17.50	2.9%	18.75	7.1%	19.55	4.3%	20.49 21.51	4.8% 5.0%
1-256	52.45	54.03	3.0%	55.29	2.3%	60.10	8.7%	63.94	6.4%	67.19	5.1%

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 Pay Changes 2001-2006 and Reasons for Changes
 Non-Union Employees

Emp No.	2001			2002		2003		2004		2005		2006	
	Wage Rate Jan.-Dec.	Wage Rate Jan.-Dec.	% Inc.										
4-213	20.32	23.70	16.6%	24.65	4.0%	25.38	3.0%	26.73	5.3%	27.27	2.0%		
3-283	7.92												
4-246	11.56	12.14	5.0%	12.75	5.0%	13.26	4.0%	13.79	4.0%	13.93	1.0%	15.11	8.5%
6-145	17.61	17.96	2.0%	18.40	2.4%	19.23	4.5%	20.15	4.8%	20.90	3.7%		
2-273	11.10	12.00	8.1%	12.48	4.0%	12.98	4.0%	13.89	7.0%	14.58	5.0%		
7-302								25.00	3.9%	25.84	3.4%	26.43	2.3%
6-279	13.31	14.00	5.2%	14.85	6.1%	15.52	4.5%	16.25	4.7%	17.25	6.2%		
5-121	24.27	25.00	3.0%	26.00	4.0%	26.78	3.0%	27.36	2.2%	27.36	6.2%		
4-016	18.14	18.41	1.5%	18.41	0.0%	18.96	3.0%	19.72	4.0%	20.71	5.0%		
3-322												10.25	N/A
												10.90	6.3%
4-278	35.75	37.74	5.6%	38.85	2.9%	40.14	3.3%	42.15	5.0%				
3-260	14.54	15.56	7.0%	16.47	5.8%	17.29	5.0%	18.68	8.0%	19.80	6.0%		
3-316												10.00	N/A
4-303						10.00	N/A	10.25	2.5%				
4-282	12.58	14.53	15.5%	15.26	5.0%	16.18	6.0%	17.15	6.0%	18.18	6.0%		
5-126	19.00	19.00	0.0%	19.00	0.0%	19.38	2.0%	19.77	2.0%	20.56	4.0%		
2-286		8.00	N/A	8.00	0.0%								
7-263	28.61	29.76	4.0%	30.95	4.0%								
3-169	27.21	29.30	7.7%	31.58	7.8%	32.38	2.5%	34.23	5.7%	36.11	5.5%		
2-187	17.00	17.34	2.0%	17.34	0.0%								
6-274	28.53	30.77	7.9%	33.66	9.4%	35.67	6.0%	37.46	5.0%	41.92	11.9%		
2-275	9.20	10.14	10.2%	10.75	6.0%	11.18	4.0%	11.85	6.0%	12.60	6.3%		
6-022	19.94	19.94	0.0%	19.94	0.0%	19.94	0.0%						
3-165	15.63												

Jackson Purchase Energy Corporation
Case No. 2007-00116
Employee Adjustment
December 31, 2006

The following is a list of employees added during the test year, and the employees that were replaced, or reason for hiring the employees.

<u>Employee Hired</u>	<u>Reason</u>	
2-295	Replaced promoted employee	2-273
4-317	Replaced retired employee	4-278
5-320	Replaced discharged employee	5-289
4-321	Replaced retired employee	4-025
1-323	Replaced promoted employee	5-218
3-324	Replaced promoted employee	3-322
2-326	Replaced part-time employee	2-295
3-327	Replaced part-time employee	3-324
5-328	Succession plan	
5-329	Succession plan	

The following is a list of employees terminated, and the date.

<u>Employee Number</u>		<u>Month Terminated</u>
4-025	Retirement	03-01-06
5-121	Retirement	04-28-06
5-214	Placed on unpaid leave	05-13-06
5-289	Discharged	01-16-06
3-307	Voluntary Resignation	05-17-06
2-313	Voluntary Resignation	06-16-06
3-316	Voluntary Resignation	05-22-06
2-318	Voluntary Resignation	05-31-06
4-325	Returned to school	08-15-06

Jackson Purchase Energy Corporation
Case No. 2007-00116
Compensation of Executive Officers
December 31, 2006

Exhibit G
Schedule 6
page 19 of 21

	←----- Test Year ----->						<u>Employees who Report</u>
	<u>Salary</u>	<u>Percent of Increase</u>	<u>Date</u>	<u>Salary</u>	<u>Percent of Increase</u>	<u>Date</u>	
President/CEO	139,750	7.5%	07-01-06			07-01-06	all
VP, Engineering & Operations	98,000		01-30-06	99,900	1.9%	07-30-06	51
VP, Finance & Accounting	85,025	9.1%	01-30-06	87,200	2.6%	07-01-06	16
VP, Human Resources	73,250	2.9%	01-30-06	75,100	2.5%	07-01-06	5

First Preceding Year (2005)

	<u>Salary</u>	<u>Percent of Increase</u>	<u>Date</u>
President/CEO	130,000	4.0%	07-01-05
VP, Engineering & Operations	87,675	5.0%	07-01-05
VP, Finance & Accounting	77,925	5.0%	07-01-04
VP, Human Resources	71,200	4.2%	07-01-04

Second Preceding Year (2004)

	<u>Salary</u>	<u>Percent of Increase</u>	<u>Date</u>
President/CEO	125,000	8.7%	08-01-04
VP, Engineering & Operations	83,500	3.3%	07-01-04
VP, Finance & Accounting	74,200	6.0%	07-01-04
VP, Human Resources	68,300	4.0%	07-01-04

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Jackson Purchase Energy Corporation
Case No. 2007-00116
Executive Officers – Duties and Responsibilities

President & CEO

Responsible for providing strategic leadership for the company by working with the Board of Directors and the Executive Management Team to establish long-range goals, strategies, plans and policies.

Vice President, Engineering and Operations

Plans, directs and controls the overall operation and functions within the Engineering and Operations departments. Establishes and implements corporate engineering and operations policies and procedures within the boundaries established by the Board of Directors and insures compliance of short-term and long-term goals with overall corporate objectives. Has the responsibility and the authority to ensure that all jobs and projects meet company quality standards. Provides leadership, management and vision necessary to ensure that the company has the proper operational controls, administrative and reporting procedures, and people systems in place to effectively grow the organization and to ensure financial strength and operating efficiency. Responsible for training of company personnel in all phases of construction and maintenance with regard to quality and reliability. Other duties: monitors department performance, develops and approves operating budgets and expenses, staffs, trains and supervises department personnel.

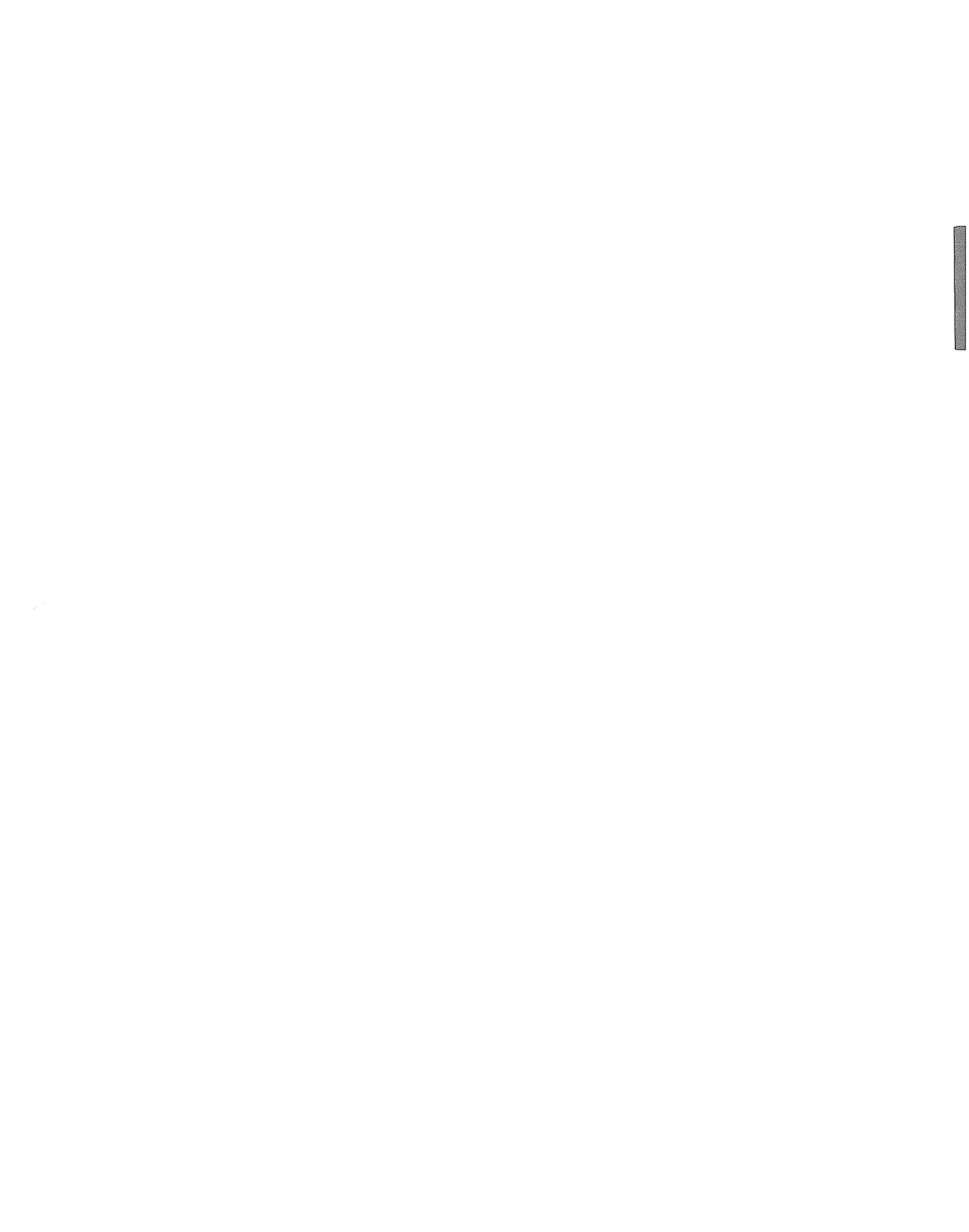
Vice President, Finance and Accounting

Plans, directs and controls the overall operation and functions within the Accounting and Customer Service departments. Establishes and implements corporate financial and accounting policies and procedures within the boundaries established by the Board of Directors. Provides administrative and technical direction to all financial operations to ensure accuracy of financial data. Establishes and directs all short-term and long-range financial plans consistent with corporate philosophy and insures compliance with overall corporate objectives. Provides leadership, management and vision necessary to ensure that the company has the proper operational controls, administrative and reporting procedures, and people systems in place to effectively grow the

organization and to ensure financial strength and operating efficiency. Other duties: monitors department performance, develops and approves operating budgets and expenses, staffs, trains and supervises department personnel.

Vice President, Human Resources and Member Relations

Plans, directs and controls the overall operation and functions within the Human Resources and Member Relations departments. Provides direction to labor relations, safety and employees to insure all department programs, policies and procedures are in compliance with federal and state regulations and corporate objectives. Establishes and implements corporate personnel policies and procedures within the boundaries established by the Board of Directors and insures compliance of short-term and long-term goals with overall corporate objectives. Provides leadership, management and vision necessary to insure that the company has the proper administrative and reporting procedures and people systems in place to effectively grow the organization and to ensure financial strength and operating efficiency. Other duties: monitors department performance, develops and approves operating budgets and expenses, staffs, trains and supervises department personnel.



Jackson Purchase Energy Corporation
Case No. 2007-00116
Payroll Tax Adjustment
December 31, 2006

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The employer's portion of FICA and medicare rates remain the same for 2007 as they were in 2006. The FICA rate is 6.2% and the medicare rate is 1.45%. The wage limit increases from \$94,200 in 2006 to \$97,500 in 2007; all wages are subject to medicare.

Federal unemployment rates are 0.80 for the first \$7,000 of wages and the state unemployment rate is 0.80 for the first \$8,000 in wages.

Proposed FICA amounts:

FICA	278,359	
Medicare	65,912	
	<u>344,271</u>	
Proposed FUTA	4,424	
Proposed SUTA	4,424	353,119

Test year amounts:

FICA & Medicare	335,430	
Test year FUTA	4,873	
Test year SUTA	4,852	345,155
		<u>7,964</u>

Adjustment:

107	Capitalized	32.0%	2,548
143 to 417	Clearings and others	7.6%	605
580	Operations	16.1%	1,282
590	Maintenance	16.6%	1,322
901	Consumer accounts	8.2%	653
908	Customer service	2.7%	215
912	Sales	0.0%	-
920	Administrative and general	16.8%	1,338
		<u>100.0%</u>	<u>7,964</u>

State unemployment (SUTA) wage rates are as follows:

2006	0.70%
2005	0.70%
2004	0.70%
2003	0.60%
2002	0.50%
2001	0.50%

Employee Number	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
	Up To	@	All Wages	1.45%	Up to	0.80%	Up to	0.700%
Total	\$97,500	6.20%	All Wages	1.45%	\$7,000	0.80%	\$8,000	0.700%

Employee Number

Salary employees

04-317	104,513	97,500	6,045	104,513	1,515	7,000	56	8,000	56
05-178	75,982	75,982	4,711	75,982	1,102	7,000	56	8,000	56
01-323	63,003	63,003	3,906	63,003	914	7,000	56	8,000	56
06-277	55,727	55,727	3,455	55,727	808	7,000	56	8,000	56
06-300	61,885	61,885	3,837	61,885	897	7,000	56	8,000	56
04-288	60,786	60,786	3,769	60,786	881	7,000	56	8,000	56
05-186	70,870	70,870	4,394	70,870	1,028	7,000	56	8,000	56
03-264	52,547	52,547	3,258	52,547	762	7,000	56	8,000	56
01-284	39,978	39,978	2,479	39,978	580	7,000	56	8,000	56
05-152	69,376	69,376	4,301	69,376	1,006	7,000	56	8,000	56
02-194	55,953	55,953	3,469	55,953	811	7,000	56	8,000	56
05-218	46,526	46,526	2,885	46,526	675	7,000	56	8,000	56
01-256	146,205	97,500	6,045	146,205	2,120	7,000	56	8,000	56
04-213	56,722	56,722	3,517	56,722	822	7,000	56	8,000	56
07-302	57,512	57,512	3,566	57,512	834	7,000	56	8,000	56
03-260	44,352	44,352	2,750	44,352	643	7,000	56	8,000	56
03-169	81,175	81,175	5,033	81,175	1,177	7,000	56	8,000	56
06-274	92,895	92,895	5,759	92,895	1,347	7,000	56	8,000	56

Employee Number	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
	Up To	@	All Wages	1.45%	Up to	0.80%	Up to	0.700%
Total	\$97,500	6.20%	All Wages	1.45%	\$7,000	0.80%	\$8,000	0.700%

Employee Number

Hourly, non bargaining

06-145	46,785	2,901	46,785	678	7,000	56	8,000	56
06-279	41,516	2,574	41,516	602	7,000	56	8,000	56
04-016	46,323	2,872	46,323	672	7,000	56	8,000	56
03-322	23,064	1,430	23,064	334	7,000	56	8,000	56
04-282	51,408	3,187	51,408	745	7,000	56	8,000	56
05-126	53,749	3,332	53,749	779	7,000	56	8,000	56
03-275	28,246	1,751	28,246	410	7,000	56	8,000	56
04-297	39,863	2,472	39,863	578	7,000	56	8,000	56
04-321	43,420	2,692	43,420	630	7,000	56	8,000	56
04-181	56,635	3,511	56,635	821	7,000	56	8,000	56
02-220	36,599	2,269	36,599	531	7,000	56	8,000	56
06-300	43,827	2,717	43,827	635	7,000	56	8,000	56
02-295	26,891	1,667	26,891	390	7,000	56	8,000	56
04-285	60,295	3,738	60,295	874	7,000	56	8,000	56
04-128	42,096	2,610	42,096	610	7,000	56	8,000	56
02-202	38,628	2,395	38,628	560	7,000	56	8,000	56
04-267	39,137	2,427	39,137	567	7,000	56	8,000	56
02-018	37,971	2,354	37,971	551	7,000	56	8,000	56
04-257	38,684	2,398	38,684	561	7,000	56	8,000	56
03-324	21,443	1,329	21,443	311	7,000	56	8,000	56
03-327	10,400	645	10,400	151	7,000	56	8,000	56
02-315	28,116	1,743	28,116	408	7,000	56	8,000	56
02-192	33,290	2,064	33,290	483	7,000	56	8,000	56
02-326	20,815	1,291	20,815	302	7,000	56	8,000	56
02-246	33,091	2,052	33,091	480	7,000	56	8,000	56
02-273	31,526	1,955	31,526	457	7,000	56	8,000	56

Employee Number	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
	Up To	@	All Wages	1.45%	Up to	0.80%	Up to	0.700%
	Total	\$97,500	6.20%		\$7,000		\$8,000	

Hourly, bargaining

05-214	55,246	3,425	55,246	801	7,000	56	8,000	56
05-320	37,329	2,314	37,329	541	7,000	56	8,000	56
05-174	60,295	3,738	60,295	874	7,000	56	8,000	56
05-234	67,478	4,184	67,478	978	7,000	56	8,000	56
05-153	78,683	4,878	78,683	1,141	7,000	56	8,000	56
05-229	97,796	6,045	97,796	1,418	7,000	56	8,000	56
05-304	74,429	4,615	74,429	1,079	7,000	56	8,000	56
05-328	28,340	1,757	28,340	411	7,000	56	8,000	56
05-301	84,880	5,263	84,880	1,231	7,000	56	8,000	56
05-225	89,911	5,575	89,911	1,304	7,000	56	8,000	56
05-201	85,236	5,285	85,236	1,236	7,000	56	8,000	56
05-160	54,646	3,388	54,646	792	7,000	56	8,000	56
05-233	77,990	4,835	77,990	1,131	7,000	56	8,000	56
05-314	42,230	2,618	42,230	612	7,000	56	8,000	56
05-312	40,218	2,493	40,218	583	7,000	56	8,000	56
05-084	54,880	3,403	54,880	796	7,000	56	8,000	56
05-190	41,414	2,568	41,414	601	7,000	56	8,000	56
05-268	78,870	4,890	78,870	1,144	7,000	56	8,000	56
05-308	79,138	4,907	79,138	1,147	7,000	56	8,000	56
05-258	75,055	4,653	75,055	1,088	7,000	56	8,000	56
05-199	70,830	4,391	70,830	1,027	7,000	56	8,000	56
05-329	28,474	1,765	28,474	413	7,000	56	8,000	56
05-065	60,814	3,770	60,814	882	7,000	56	8,000	56
05-255	71,479	4,432	71,479	1,036	7,000	56	8,000	56
02-136	67,600	4,191	67,600	980	7,000	56	8,000	56
05-112	86,369	5,355	86,369	1,252	7,000	56	8,000	56
02-203	70,216	4,353	70,216	1,018	7,000	56	8,000	56
05-292	55,453	3,438	55,453	804	7,000	56	8,000	56
05-252	57,559	3,569	57,559	835	7,000	56	8,000	56
05-245	66,422	4,118	66,422	963	7,000	56	8,000	56
05-293	56,473	3,501	56,473	819	7,000	56	8,000	56
05-253	83,073	5,151	83,073	1,205	7,000	56	8,000	56
05-224	81,398	5,047	81,398	1,180	7,000	56	8,000	56
05-219	84,115	5,215	84,115	1,220	7,000	56	8,000	56
05-226	73,380	4,550	73,380	1,064	7,000	56	8,000	56
05-281	73,378	4,549	73,378	1,064	7,000	56	8,000	56

Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Employee Earnings and Hours
 December 31, 2006

Employee Number	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
	Up To	@	All Wages	1.45%	Up to	0.80%	Up to	0.700%
Total	\$97,500	6.20%	All Wages	1.45%	\$7,000	0.80%	\$8,000	0.700%

Employee Number

Summer and part time

04-325	0	0	0	0	0	0	0	0
Terminated								
05-289	0	0	0	0	0	0	0	0
04-319	0	0	0	0	0	0	0	0
03-307	0	0	0	0	0	0	0	0
07-025	0	0	0	0	0	0	0	0
05-309	0	0	0	0	0	0	0	0
05-121	0	0	0	0	0	0	0	0
02-318	0	0	0	0	0	0	0	0
02-313	0	0	0	0	0	0	0	0
03-316	0	0	0	0	0	0	0	0

4,600,926 281,784 66,713 4,480 4,480



Jackson Purchase Energy Corporation
Case No. 2007-00116
Retirement and Workers Compensation Adjustment
December 31, 2006

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Jackson Purchase Energy Corporation provides pension benefits to substantially all employees through various retirement and savings vehicles. Employees hired before January 1, 2006 participate in the National Rural Electric Cooperative Association (NRECA) Retirement and Security (RS&I) program. For all bargaining employees the cooperative also contributes 10% of base pay to a union savings plan. For non-bargaining full time employee hired before January 1, 2006 the cooperative contributes 4% to a 401 (k) plan regardless of employee participation. For employees hired after January 1, 2006 the 401 (k) contribution rate is 14% for non-bargaining employees and 10% for bargaining employees. The cooperative also pays workers compensation insurance based on whether an employee is classified as "inside" or "outside."

For 2006 the RS&I rates were 14.29% for bargaining employees and 18.25% for non-bargaining employees. For 2007 the R&S rates are 14.58% for bargaining employees and 19.16% for non-bargaining employees.

For 2006 the effective workers compensation rates were 0.57% for inside employees and 9.42% for outside employees. For 2007 the effective workers compensation rates are 0.59% for inside employees and 10.33% for outside employees.

Employee by employee calculations of the above benefits are calculated on the following pages.

Normalized benefit costs:

RS&I	583,616		Number
401(k)	116,531		of Employees
Workers Comp	292,952		Participating
Union Savings	177,366	1,170,465	12/31/2006

Test year amounts:

RS&I	543,867		69
401(k)	84,364		40
Workers Comp	253,506		79
Union Savings	158,718	1,040,455	35

Adjustment 130,010

Adjustment:

107	Capitalized	32.0%	41,603
143 to 417	Clearings and others	7.6%	9,881
580	Operations	16.1%	20,932
590	Maintenance	16.6%	21,582
901	Consumer accounts	8.2%	10,661
908	Customer service	2.7%	3,510
912	Sales	0.0%	-
920	Administrative and general	16.8%	21,842
		100.0%	130,010

Jackson Purchase Energy Corporation
Case No. 2007-00116
Employee Benefits
December 31, 2006

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Jackson Purchase Energy Corporation provides the following employee benefits: medical insurance, disability insurance, and life insurance. Insurance is provided through IBEW Health Insurance Trust Fund. Life insurance and disability insurance are purchased from NRECA. The benefits below are only available to full-time employees. Jackson Purchase Energy Corporations subsidizes 100% of the cost for medical and life insurance and 67% of the cost for disability insurance. Life and disability are based on the prior year's November 15 salary. Disability and life insurance will increase with the new salary increase for 2006. The cooperative does not anticipate any rate changes in 2008.

		Number of Employees Participating 12/31/2006
Medical insurance	\$ 824.00 for each full-time employee	78
Disability insurance	.065 per hundred of base salary for November 15, 2005	78
Life insurance	.024 per thousand of base salary for November 15, 2005	78

Employee Number	2007 Rates				Normalized Benefits			
	RS & I	401 (k)	Comp	Union Savings	RS & I	401 (k)	W/C Wages	Workers Comp

Hourly, non bargaining

06-145	19.16%	4%	0.59%	n/a	8,329	1,739	46,513	274	0
06-279	19.16%	4%	0.59%	n/a	6,875	1,435	40,391	238	0
04-016	19.16%	4%	0.59%	n/a	8,254	1,723	45,676	269	0
03-322	n/a	14%	0.59%	n/a	0	3,174	22,934	135	0
04-282	19.16%	4%	0.59%	n/a	7,245	1,513	47,550	281	0
05-126	19.16%	4%	10.33%	n/a	8,194	1,711	51,307	5,300	0
03-275	19.16%	4%	0.59%	n/a	5,021	1,048	28,010	165	0
04-297	19.16%	4%	0.59%	n/a	7,126	1,488	39,443	233	0
04-321	n/a	14%	0.59%	n/a	0	4,621	40,246	237	0
04-181	19.16%	4%	0.59%	n/a	7,536	1,573	52,277	308	0
02-220	19.16%	4%	0.59%	n/a	6,695	1,398	36,498	215	0
06-300	19.16%	4%	0.59%	n/a	7,257	1,515	42,393	250	0
02-295	n/a	14%	0.59%	n/a	0	3,657	26,822	158	0
04-285	19.16%	4%	10.33%	n/a	7,704	1,608	55,052	5,687	0
04-128	19.16%	4%	0.59%	n/a	8,046	1,680	42,066	248	0
02-202	19.16%	4%	0.59%	n/a	7,074	1,477	38,491	227	0
04-267	19.16%	4%	10.33%	n/a	6,169	1,288	37,477	3,871	0
02-018	19.16%	4%	0.59%	n/a	6,958	1,453	37,941	224	0
04-257	19.16%	4%	10.33%	n/a	6,707	1,400	37,607	3,885	0
03-324	n/a	14%	10.33%	n/a	0	2,985	21,402	2,211	0
03-327	n/a	n/a	10.33%	n/a	0	0	10,400	1,074	0
02-315	19.16%	4%	0.59%	n/a	5,201	1,086	28,025	165	0
02-192	19.16%	4%	0.59%	n/a	6,093	1,272	33,156	196	0
02-326	19.16%	4%	0.59%	n/a	3,985	832	20,810	123	0
02-246	19.16%	4%	10.33%	n/a	6,022	1,257	32,970	3,406	0
02-273	19.16%	4%	0.59%	n/a	5,811	1,213	31,172	184	0

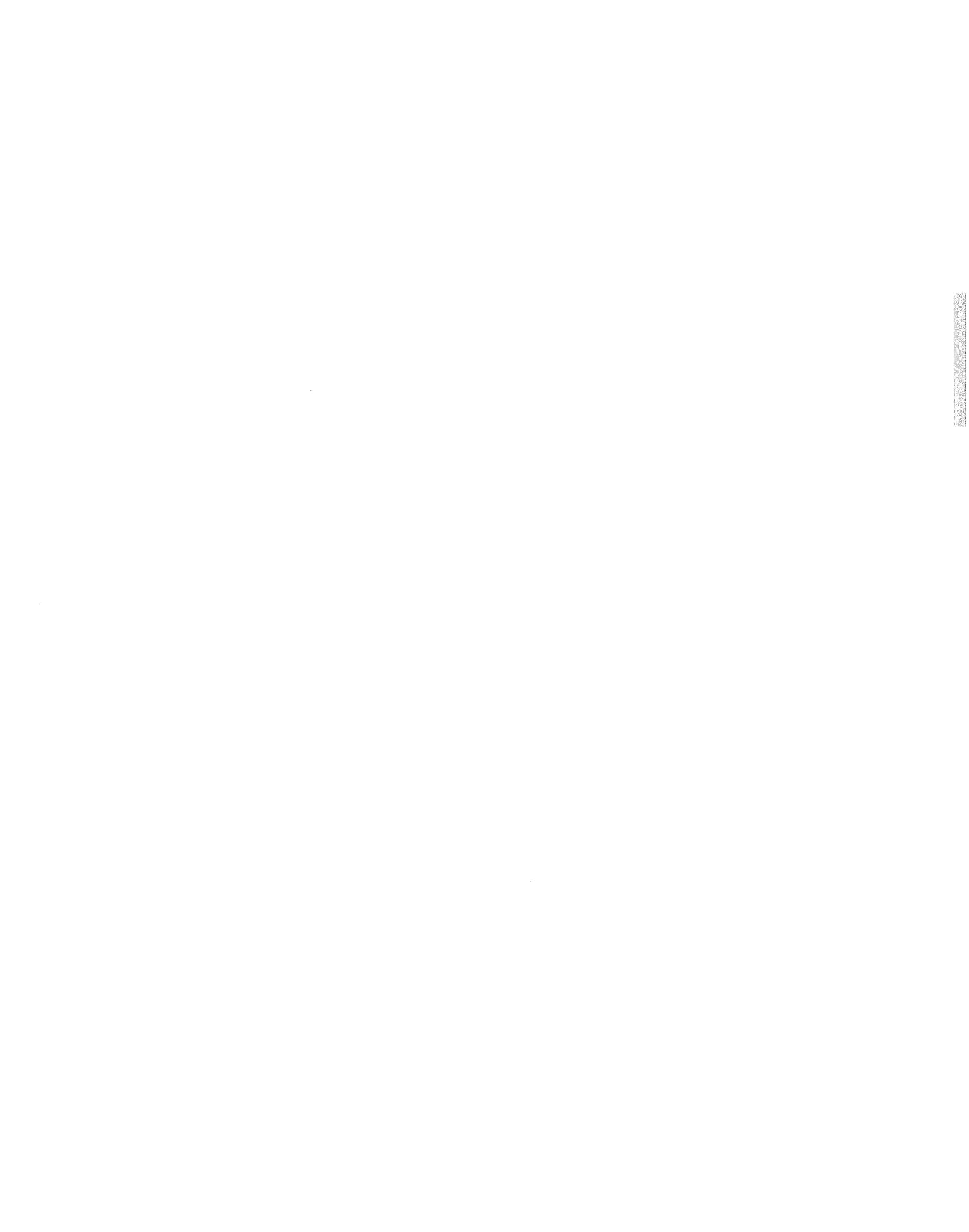
Hourly, bargaining

05-214	14.58%	n/a	10.33%	10%	7,745	0	54,607	5,641	5,312
05-320	n/a	10%	10.33%	10%	0	3,453	36,396	3,760	3,453
05-174	14.58%	n/a	10.33%	10%	8,285	0	59,940	6,192	5,683
05-234	14.58%	n/a	10.33%	10%	7,745	0	62,427	6,449	5,312
05-153	14.58%	n/a	10.33%	10%	8,285	0	70,607	7,294	5,683
05-229	14.58%	n/a	10.33%	10%	7,745	0	82,144	8,486	5,312

Employee Number	2007 Rates				Normalized Benefits					
	RS & I	401 (k)	Comp	Union Savings	RS & I	401 (k)	W/C Wages	Workers Comp	Union Savings	
05-304	14.58%	n/a	10.33%	10%	7,745	0	66,719	6,892	5,312	
05-328	n/a	10%	10.33%	10%	0	2,656	27,641	2,855	2,656	
05-301	14.58%	n/a	10.33%	10%	7,745	0	73,599	7,603	5,312	
05-225	14.58%	n/a	10.33%	10%	8,285	0	78,231	8,081	5,683	
05-201	14.58%	n/a	10.33%	10%	8,285	0	74,936	7,741	5,683	
05-160	14.58%	n/a	10.33%	10%	7,357	0	53,311	5,507	5,046	
05-233	14.58%	n/a	10.33%	10%	7,745	0	69,344	7,163	5,312	
05-314	14.58%	n/a	10.33%	10%	5,034	0	39,865	4,118	3,453	
05-312	14.58%	n/a	10.33%	10%	5,034	0	38,147	3,941	3,453	
05-084	14.58%	n/a	10.33%	10%	7,203	0	53,628	5,540	4,940	
05-190	14.58%	n/a	10.33%	10%	5,811	0	41,117	4,247	3,985	
05-268	14.58%	n/a	10.33%	10%	7,745	0	69,536	7,183	5,312	
05-308	14.58%	n/a	10.33%	10%	7,745	0	69,884	7,219	5,312	
05-258	14.58%	n/a	10.33%	10%	7,745	0	67,114	6,933	5,312	
05-199	14.58%	n/a	10.33%	10%	7,745	0	64,602	6,673	5,312	
05-329	n/a	10%	10.33%	10%	0	2,656	27,730	2,865	2,656	
05-065	14.58%	n/a	10.33%	10%	8,285	0	59,558	6,152	5,683	
05-255	14.58%	n/a	10.33%	10%	7,745	0	64,888	6,703	5,312	
02-136	14.58%	n/a	10.33%	10%	6,584	0	60,755	6,276	4,516	
05-112	14.58%	n/a	10.33%	10%	8,285	0	76,465	7,899	5,683	
02-203	14.58%	n/a	10.33%	10%	6,584	0	62,557	6,462	4,516	
05-292	14.58%	n/a	10.33%	10%	6,584	0	51,963	5,368	4,516	
05-252	14.58%	n/a	10.33%	10%	6,584	0	53,472	5,524	4,516	
05-245	14.58%	n/a	10.33%	10%	8,285	0	62,799	6,487	5,683	
05-293	14.58%	n/a	10.33%	10%	6,584	0	52,560	5,429	4,516	
05-253	14.58%	n/a	10.33%	10%	7,745	0	71,945	7,432	5,312	
05-224	14.58%	n/a	10.33%	10%	7,745	0	71,393	7,375	5,312	
05-219	14.58%	n/a	10.33%	10%	7,745	0	73,237	7,565	5,312	
05-226	14.58%	n/a	10.33%	10%	8,285	0	67,527	6,976	5,683	
05-281	14.58%	n/a	10.33%	10%	7,745	0	66,504	6,870	5,312	
Summer and part time	n/a	n/a	0.59%	n/a	0	0	0	0	0	
04-325	n/a	n/a	0.59%	n/a	0	0	0	0	0	

Employee Number	2007 Rates				Normalized Benefits				
	RS & I	401 (k)	Workers Comp	Union Savings	FS & I	401 (k)	W/C Wages	Workers Comp	Union Savings
Terminated									
05-289	14.58%	n/a	10.33%	10%	0	0	0	0	0
04-319	19.16%	n/a	10.33%	10%	0	0	0	0	0
03-307	19.16%	4%	10.33%	n/a	0	0	0	0	0
07-025	19.16%	4%	0.59%	n/a	0	0	0	0	0
05-309	14.58%	n/a	10.33%	10%	0	0	0	0	0
05-121	19.16%	4%	0.59%	n/a	0	0	0	0	0
02-318	n/a	4%	0.59%	n/a	0	0	0	0	0
02-313	19.16%	4%	0.59%	n/a	0	0	0	0	0
03-316	19.16%	4%	10.33%	n/a	0	0	0	0	0

583,616 116,531 292,952 177,366



Witness: Chuck Williamson

Jackson Purchase Energy
Case No. 2007-00116
December 31, 2006

**Financial Accounting Standard No. 106
Employer's Accounting for Postretirement Benefits**

Jackson Purchase updated its study of SFAS No. 106. As a result, the annual accrual increased. Directors are not provided health insurance premiums when they retire, as a result, this study does not include amounts for Directors, or their spouses.

Test year accrual	189,120
Discount rate	6.75%
Proposed adjustment (accrual times discount rate)	12,766

The adjustment is allocated as follows:

	<u>Percent</u>	<u>Amount</u>
107 Capitalized	32.00%	4,085
163 - 416 Clearing and others	7.60%	970
580 Operations	16.10%	2,055
590 Maintenance	16.60%	2,119
901 Consumer accounts	8.20%	1,047
908 Customer service	2.70%	345
912 Sales	0.00%	0
920 Administrative and general	16.80%	2,145
	100.00%	12,766

Witness: Chuck Williamson

Jackson Purchase Energy
Case No. 2007-00116
December 31, 2006

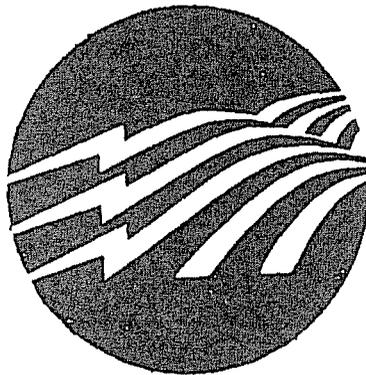
**Financial Accounting Standard No. 106
Employer's Accounting for Postretirement Benefits**

Jackson Purchase implemented Statement of Financial Accounting Standard No. 106 (SFAS 106) as of January 1, 1995.

The journal entry to record the expense for the initial year of 1995 is as follows:

	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Cumulative effect of change in			
accounting principle	435.1	602,933	
Accumulated provision for pensions			
and benefits	228.3		602,933

The study as of January 1, 2006 has been included with this response.



JACKSON PURCHASE ENERGY CORPORATION

**POSTRETIREMENT BENEFITS VALUATION
(EXCLUDING PENSIONS)
AS OF JANUARY 1, 2006
(Revised)**



National Rural Electric
Cooperative Association

A Touchstone Energy Cooperative

November 28, 2006

Mr G Kelly Nuckols
President/CEO
Jackson Purchase Energy Corporation
P O Box 4030
Paducah, KY 42002-4030

(18-020)

Re Postretirement Benefits (Excluding Pensions) Valuation

Dear Mr Nuckols

This revised report presents the results of the January 1, 2006 Postretirement Medical Insurance Valuation of Jackson Purchase Energy Corporation (Jackson Purchase) This report has been prepared in accordance with Statement of Financial Accounting Standards No 106, Employers' Accounting for Postretirement Benefits Other Than Pensions

Our calculations of retiree medical insurance obligations and expense were based on the employee data as of January 1, 2006, plan information furnished by Jackson Purchase as summarized in Exhibit VI and the actuarial assumptions and methods described in Exhibit VII The accompanying report presents results for your retiree medical insurance program since there is no separate obligation or expense associated with the retiree life program

We would be pleased to respond to any questions about the information contained in this report and to provide explanation or further detail as appropriate

Sincerely,

Steven W Lidwin, EA, MAAA
Manager, Pension Products

SWL/fh

cc Izell White



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This report and the underlying calculations were prepared by Frances Hung, under the direction of Steven W Lidwin, Enrolled Actuary

EXECUTIVE SUMMARY **(Revised)**

INTRODUCTION

This report presents the results of the January 1, 2006 actuarial valuation of Jackson Purchase Energy Corporation (Jackson Purchase) postretirement medical insurance program prepared in accordance with the requirements of Statement of Financial Accounting Standards No 106, Employers' Accounting for Postretirement Benefits Other Than Pensions (SFAS 106)

SUMMARY OF RESULTS

Plan Participants

The total number of current active employees included in the valuation as of January 1, 2006 was Seventy-one Fourteen current retirees and one disabled participant were also included in the valuation More detailed participant data is presented in Exhibit V

Retiree Obligations and Expense as of January 1, 2006

Retiree obligations and expense under Statement 106 as of January 1, 2006 are presented in Exhibit I and Exhibit II, respectively

The expense for 2006 is \$186,100 as shown in Exhibit II In Exhibit III-A, the actual accumulated postretirement benefit obligation (APBO) of \$1,360,800 as of January 1, 2006 is compared with the expected accumulated postretirement benefit obligation of \$1,005,100 The difference of \$355,700 is the net loss for FY 2005 The unrecognized cumulative actuarial gain or loss in excess of 10% of the APBO is amortized over the future working lifetime to expected retirement of the active participants Exhibit III-B shows the development of the \$24,900 amortization of the unrecognized net loss

Exhibit IV shows the expected funded status as of December 31, 2006, and a reconciliation of the accrued cost from January 1, 2006 to December 31, 2006 Also Exhibit IV-I presents obligations and expense under the current plans with trend rates 1% higher than the current assumed rates Exhibit IV-J presents the estimated future benefit payments, which reflect expected future service, as appropriate, for each of the next five years and for the total of the sixth through tenth years

**Exhibit I
 (Revised)**

**Jackson Purchase Energy Corporation
 Medical Insurance Plan**

SFAS 106 Obligations as of January 1, 2006

A	Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2006	
		<u>Total</u>
	1 Actives Not Yet Eligible	\$(544,900)
	2 Actives Fully Eligible	(193,300)
	3 Retirees and Dependents	<u>(622,600)</u>
	4 Total APBO	(1,360,800)
B	Future Accruals of Current Actives	(519,100)
C	Total Expected Postretirement Benefit Obligations (EPBO) (A4)+(B)	(1,879,900)
D	Reconciliation of Funded Status	
	1 APBO	\$(1,360,800)
	2 Assets	<u>0</u>
	3 Funded Status = (D1)+(D2)	(1,360,800)
	4 Unrecognized (Gain)/Loss	510,300
	5 Unrecognized Prior Service Cost	<u>69,300</u>
	6 Accrued Postretirement Benefit Cost (D3)+(D4)+(D5)	(781,200)

**Exhibit II
(Revised)**

**Jackson Purchase Energy Corporation
Medical Insurance Plan**

SFAS 106 Expense for FY 2006

1	Service cost	\$52,200
2	Interest cost	74,100
3	Expected return on plan assets	0
4	Amortization of actuarial (gain)/loss	24,900
5	Amortization of prior service cost	34,900
6	Total SFAS 106 expense in current operations = (1)+(2)-(3)+(4)+(5)	<u>186,100</u>
7	Estimated pay-as-you-go expense	143,000

**Exhibit III
(Revised)**

**Jackson Purchase Energy Corporation
Medical Insurance Plan**

Calculation and Amortization of Actuarial (Gain)/Loss

A Calculation of Actuarial (Gain)/Loss during FY 2005

1	Expected APBO as of December 31, 2005	\$1,005,100
2	Actual APBO as of January 1, 2006	1,360,800
3	Actuarial (gain)/loss for 2005 = (A2) - (A1)	355,700
4	Unrecognized (gain)/loss as of December 31, 2005	154,600
5	Cumulative unrecognized (gain)/loss = (A3) + (A4)	510,300

B Amortization of (Gain)/Loss

1	10% corridor	136,100
2	(Gain)/loss subject to amortization = Excess of unrecognized (gain)/loss over the 10% corridor	374,200
3	Future working lifetime to expected retirement	15
4	Amortization of (gain)/loss = (B2) - (B3)	24,900

**Exhibit IV
 (Revised)**

**Jackson Purchase Energy Corporation
 Medical Insurance Plan**

Expected Funded Status As Of December 31, 2006

A	Expected Accumulated Postretirement Benefit Obligation	
	1 Actives Not Yet Eligible	\$(628,400)
	2 Actives Fully Eligible	(191,700)
	3 Retirees and Dependents	<u>(524,000)</u>
	4 Total APBO	(1,344,100)
B	Expected Fair Value of Assets	<u>0</u>
C	Funded Status	(1,344,100)
D	Unrecognized Transition Obligation	0
E	Unrecognized (Gain)/Loss	485,400
F	Unrecognized Prior Service Cost	<u>34,400</u>
G	(Accrued) Postretirement Benefit Cost	(824,300)
H	Reconciliation of (Accrued) Postretirement Benefit Cost	
	1 (Accrued) Postretirement Benefit Cost as of January 1, 2006	\$(781,200)
	2 2006 Total SFAS 106 Expense	(186,100)
	3 Expected 2006 Pay-as-you-go	<u>143,000</u>
	4 (Accrued) Postretirement Benefit Cost as of December 31, 2006	(824,300)
	(H1)+(H2)+(H3)	

The information shown above is based upon estimates of pay-as-you-go for FY 2006 and may be revised to reflect actual experience. In addition, actuarial values have been determined based on the provisions and assumptions as of January 1, 2006 (described in Exhibits VI and VII) and will need to be redetermined if plan changes are made during the year or if the assumptions are no longer appropriate as of December 31, 2006.

**Jackson Purchase Energy Corporation
 Medical Insurance Plan**

**I. One percentage point increase in health-care cost trend -
 Impact on obligations (as of December 31, 2006) and expense**

	<u>Current Assumptions</u>	<u>One Percent Increase in Trend Rates</u>	<u>Change</u>	<u>% Change</u>
APBO	\$1,344,100	\$1,465,600	\$121,500	9.0%
EPBO	1,840,900	2,089,900	249,000	13.5
SFAS 106 Expense (Service Cost + Interest Cost)	126,300	141,800	15,500	12.3

J. Estimated Future Benefit Payments -
 Benefit payments, which reflect expected future service, as appropriate, for each of the next five years and the total payments for years 6-10 (Benefit Payments are in future year dollars)

	<u>Benefit Payments</u>
2007	140,800
2008	149,400
2009	164,300
2010	136,400
2011	134,200
2012-2016	413,200

Exhibit V

Jackson Purchase Energy Corporation
Medical Insurance Plan

Participant Data as of January 1, 2006

	<u>Totals</u>
Actives fully eligible for benefits	12
Actives not yet fully eligible for benefits	<u>59</u>
Total Active Participants	71
Retirees	14
Dependents	0
Surviving spouses	<u>0</u>
Total Participants in Payment Status	14
Disabled Participants	1
Total Participants	86
Average Age of Active Participants	43 8
Average Service of Active Participants	12 6

Exhibit VI

Jackson Purchase Energy Corporation

Postretirement Valuation as of January 1, 2006
Summary of Postretirement Benefits

Medical Benefits

Covered Group Employees only Directors and attorneys are excluded

Eligibility Employees hired before January 1, 2006, who retire with 30 years' participation in the NRECA RS program or at age 62 with 10 or more years service to JPEC will be eligible for a cooperative contribution for postretirement medical coverage (See Contributions)

Employees hired before January 1, 2006, who retire at age 55 or older, with 5 or more years' accumulative service to JPEC, will be eligible for a cooperative contribution for postretirement medical coverage (See Contributions)

Employees hired on or after January 1, 2006, who retire with 30 years' participation in the 401(k) Plan or at age 62 with 10 or more years accumulative service to JPEC will be eligible for a cooperative contribution for postretirement medical coverage (See Contributions)

Employees hired on or after January 1, 2006, who retire at age 55 or older, with 5 or more years accumulative service to JPEC, will be eligible for a cooperative contribution for postretirement medical coverage (See Contribution)

Period of Coverage Lifetime

**Exhibit VI
(cont'd)**

Medical Benefits (cont'd)

Dependent Coverage

Spouse	Lifetime for spouse of deceased retiree. If spouse of a deceased retired employee remarries, the new spouse and any children born of this marriage shall not be covered.
Children	To age 19 (25 for students)
Type of Plans	NECA-IBEW Welfare Trust Fund
Deductible	Medical - \$500 individual, \$1,500 family Prescription Drugs - \$100 individual
Coinsurance	PPO Network Provider 90% of first \$15,000 of UCR Charges, 100% thereafter Non-PPO Network Provider 75% of first \$6,000 of UCR Charges, 100% thereafter
Annual Out-of-Pocket Maximum	After Deductible \$1,500 individual, \$3,000 family
Lifetime Maximum	\$1,000,000
Medicare Integration	Carve-Out
Vision Benefits	None
Medicare Part B Premiums	Paid by retiree
Cost Containment	See the following detailed schedule of benefits

**Exhibit VI
(cont'd)**

Medical Benefits (cont'd)

Contributions (cont'd)

Employees hired before January 1, 2006, who retire with 30 years' participation in the RS Program or at age 62 with 10 or more years accumulative service to JPEC will be eligible for 100% of applicable premium for retiree medical for 10 years or until age 65, whichever occurs first. Retirees and eligible dependents may remain in the plan after age 65 at their own expense.

Employees hired before January 1, 2006, who retire at age 55 or older, with 5 or more years accumulative service to JPEC, will be eligible for 100% of applicable premium for retiree medical as schedule below or until age 65, whichever occurs first.

<u>Years of Service</u>	<u>Co-op Contribution</u>
5	100% for 5 years
6	100% for 6 years
7	100% for 7 years
8	100% for 8 years
9	100% for 9 years
10+	100% for 10 years

Retirees and eligible dependents may remain in the plan after age 65 at their own expense.

Employees hired on or after January 1, 2006, who retire with 30 years' participation in the 401(k) Plan or at age 62 with 10 or more years accumulative service to JPEC, will be eligible for 100% of the premium in effect at retirement for 10 years or until age 65, whichever occurs first. Retirees and eligible dependents may remain in the plan after age 65 at their own expense.

Exhibit VII

Jackson Purchase Energy Corporation

Postretirement Valuation as of January 1, 2006
Summary of Methodology and Assumptions

Demographic Assumptions

Mortality Healthy lives – 1994 Uninsured Pensioners, separately for males and females

Disabled lives – 1976 OASDI disabled mortality rates

Retirement Rates varying by attained age are as follows for employees

<u>Age</u>	<u>Rates</u>
55-59	6.5%
60	10.0
61	20.0
62	45.0
63	25.0
64	30.0
65	60.0
66-69	25.0
70	100.0

Disabled employees are assumed to retire at age 65

Termination Rates varying by attained age Sample rates are as follows

<u>Age</u>	<u>Rate</u>
20	14.9%
30	6.9
40	2.8
50	0.4

Dependents of Future Retirees On average, 85% of future male retirees and 50% of future female retirees are assumed to have spouses covered by the retiree medical plan

**Exhibit VII
 (cont'd)**

Demographic Assumptions (cont'd)

Coverage

It is assumed that 100% of future retired employees and their dependents eligible for a cooperative contribution will participate in the retiree medical plan. Current retirees participating in this program are assumed to continue their participation with the current plan benefits.

Economic Assumptions

Discount Rate

5.75%

Health Care Cost Trend (as specified by cooperative)

Annual Trend Rate

<u>Year</u>	<u>Medical</u>
2006	0.0%
2007	0.0
2008	5.0
2009	5.0
2010	8.0
2011	7.5
2012	7.0
2013	6.5
2014	6.0
2015	5.5
2016 and later	5.0

Medicare Part B Premium

Medicare Part B premiums are paid in full by retirees and their covered dependents. Therefore, these premiums are not included in the valuation.

Average Per Capita Costs

Due to the pooling arrangement for determining the IBEW premiums, premium amounts were used for starting claims costs. Annual premiums for the medical and life insurance benefits for the twelve months beginning January 1, 2006 are shown below.

Employees retired prior to 1/1/2002

<u>Age</u>	<u>Retiree only/or Retiree and Spouse</u>
Pre 62	\$9,504
62-65	4,752

**Exhibit VII
 (cont'd)**

Economic Assumptions (cont'd)

Average Per Capita Costs (cont'd)

Employees retired on or after 1/1/2002:

<u>Age</u>	<u>Retiree only/or Retiree and Spouse</u>
Pre 62	\$9,504
62-65	7,128

Administrative expense

Since premiums were used as starting per capita costs, no separate administrative expense was assumed

Other Assumptions

Substantive Plan

The current programs were recognized as the substantive plan. For the purpose of this valuation, it was assumed that the postretirement benefits plan was initiated on January 1, 1998 covering union and non-union employees active as of January 1, 1998. Should an administrator other than IBEW handle the medical plan, the cooperative contribution may not include an amount for the dependents of the retiree or the retiree life insurance coverage of \$2,500.

Actuarial Cost Method

The projected unit credit cost method as prescribed under SFAS 106

Alternate Assumptions

Health Care Cost Trend

Annual Trend Rate

<u>Year</u>	<u>Medical</u>
2006	1.0%
2007	1.0
2008	6.0
2009	6.0
2010	9.0
2011	8.5
2012	8.0
2013	7.5
2014	7.0
2015	6.5
2016 and later	6.0

**APPENDIX A
OVERVIEW OF
FASB STATEMENT NO. 106**

INTRODUCTION

Using Statement No 87, Employers' Accounting for Pensions, as a model, on February 14, 1989 the FASB issued an Exposure Draft (ED) of a proposed Statement of Financial Accounting Standards, Employers' Accounting For Postretirement Benefits Other Than Pensions. Following its issuance the FASB held public hearings and redeliberated the issues contained in the ED. The FASB released the final standard (FAS 106) in December 1990.

This Appendix summarizes the key requirements contained in the statement and is designed to provide insight into the reasoning behind the FASB's provisions. The final statement should be referenced for a complete description of the specific provisions. While the provisions of FAS 106 are similar to those used for accounting for pensions, there are a number of important differences, including different terminology, that reflect the different nature of pension and retiree health benefits.

SCOPE

The FASB's final standard applies to all nonpension benefits offered to retirees (e.g., health care, life insurance, or other postretirement benefits). Other postemployment benefits such as severance pay or wage continuation to disabled employees are not covered by FAS 106. The FASB has addressed the accounting for these and other postemployment benefits by issuing on November 18, 1992, Statement 112, Employers' Accounting for Postemployment Benefits. This overview focuses on retiree health care benefits, in general the most financially significant area covered by the statement.

ACCRUAL ACCOUNTING

Pay-as-you-go (paid or incurred basis) and terminal accrual (accrue at retirement) approaches will no longer be acceptable. The FASB believes that retiree health care, life insurance, and other postretirement benefits are forms of deferred compensation earned while an employee works for the company. In its view, the accrual for future benefits should take place during an employee's working career (up to the full eligibility date under the plan), not at the time of retirement or after retirement.

FULL ELIGIBILITY DATE CONCEPT

The FASB approach to measurement is focused on three groups:
retirees and dependents receiving benefits,
active employees fully eligible for benefits, and
active employees not yet fully eligible

Costs would be fully accrued by the date the employee is fully eligible to receive benefits under the terms of the plan (the "full eligibility date") In the FASB's view, the benefit is fully earned by the full eligibility date since further service need not be rendered for the employee to receive additional benefits The full eligibility date may be later than the date the employee is first eligible for benefits under the plan in situations where additional non-trivial benefits are based on such items as years of service, salary and age at retirement

DEFINITION OF THE OBLIGATION

In defining the obligation for postretirement benefits, the FASB has maintained a concept similar to the projected benefit obligation (PBO) under Statement No 87, but has introduced new and modified terms designed specifically for postretirement benefits -- the expected postretirement benefit obligation (EPBO) and the accumulated postretirement benefit obligation (APBO)

Accumulated Postretirement Benefit Obligation (APBO) - For retirees and their dependents and active employees fully eligible to receive benefits, the actuarial present value of benefits expected to be paid after retirement will be included in the APBO, along with a proportionate amount -- based on employee service up to the measurement date -- for active employees not yet eligible The components of the APBO (i e , retirees, active employees fully eligible and active employees not yet fully eligible) will need to be disclosed in the footnotes to the financial statements

Expected Postretirement Benefit Obligation (EPBO) - The EPBO is the actuarial present value as of the measurement date of all benefits expected to be paid after retirement to retirees and their dependents It includes the APBO plus the actuarial present value of future service costs of active employees that have not yet reached the full eligibility date The APBO and EPBO are the same for retirees and active eligibles The EPBO is not recorded or disclosed in the financial statements, but is referred to in the measurement process

DEFINITION OF PLAN ASSETS

Plan assets, as defined by the FASB, will be offset against postretirement benefit obligations for balance sheet purposes In addition, expected earnings on plan assets serve to reduce the annual expense under accrual accounting

Plan assets will have to be segregated from the general assets of the plan sponsor and restricted (usually in a trust) and maintained exclusively to pay benefits under the plan Accordingly, corporate-owned life insurance will not be considered a plan asset

The qualifying assets should be measured at fair value at the measurement date for disclosure purposes or at fair value or market-related value (a smoothed value that considers fair value over a period not to exceed five years) for determining the expected return on assets

MEASUREMENT

Attribution Method

A benefit/years-of-service approach (i.e., the projected unit credit actuarial cost method) will be used to spread costs over accounting periods. Because the Board found no compelling reason to switch from the approach used in Statement No. 87, it rejected the use of other actuarial approaches, including those under which costs are spread as a percentage of pay.

Attribution Period

Costs will generally be spread ratably from date-of-hire (or credited service date if the plan grants credit only from a later date) to the date the employee is fully eligible for benefits under the retiree health plan.

The Board, in rejecting the concept of spreading costs over the entire service period (i.e., date of hire to the expected date of retirement), believes the balance sheet liability would be understated at the full eligibility date because an employee could elect to retire with full benefits after that date.

Assumptions

Obligations will be measured using an explicit approach to assumptions that reflects the employer's best estimate of the plan's future experience with respect to each assumption, taking into account only current active and retired plan participants.

The health care cost trend assumption should represent expected changes in the costs of health care benefits currently provided under the plan due to factors other than the demographic mix of the population. The health care cost trend assumption is to be applied to per capita costs to estimate expected plan costs in future years.

The discount rate assumption should reflect the time value of money and employers could look to rates of return on high-quality, fixed income investments currently available and expected to be available during the period the benefits are expected to be paid. Other assumptions include demographic assumptions similar to those used for pensions (e.g., turnover, mortality, retirement), and administrative expenses, if significant.

Anticipating Future Changes

Expected changes in the law can not be anticipated in measuring obligations and expense. Employers could assume future plan changes that maintain, increase or reduce the cost sharing provisions of the plan if certain conditions are met.

LIABILITY RECOGNITION

Accrued Liability

While liabilities are not recognized under pay-as-you-go accounting, under any type of accrual accounting, a method of liability recognition is needed. Under the Statement, annual expense would be computed first, the accrued liability reported in the balance sheet would then reflect the difference between cumulative expense and amounts paid (or funded).

Transition to Accrual Accounting

The obligation at the date the statement is adopted (the "transition obligation") will be based on the APBO at that date, less any plan assets and accrued liabilities on the company's balance sheet. Employers may then elect to recognize this obligation (or asset) in the financial statements immediately or on a delayed basis.

An employer that elects immediate recognition must do so on the date the standard is adopted by recognizing the transition obligation (asset) through the income statement as a cumulative catch-up adjustment. Under this approach, future years' income will not be reduced by the amortization of the transition obligation but there will be a potentially large negative impact on the current year's results of operations.

If an employer elects delayed recognition, the transition obligation will be amortized to expense over future years on a straight-line basis over the average remaining years of service (through expected date of retirement) of active employees expected to receive a benefit. However, a company could elect to use 20 years if the computed period of amortization is less than 20 years.

Components of Expense

The final standard will require that an employer's postretirement benefit expense include a number of components. In general terms, these components are:

Service cost - The increase in the APBO attributable to employee service for the period calculated using the beginning-of-the-year discount rate and the required attribution method.

Interest cost - The increase in the APBO attributable to the passage of time. It is calculated by applying the beginning-of-the-year discount rate to the beginning-of-the-year APBO, adjusted for benefit payments to be made during the period.

Expected return on plan assets - For funded plans, the expected earnings rate applied to the market-related value of the plan's assets, adjusted for contributions and benefit payments to be made during the period. Although the statement specifies the actual return on plan assets as a component of postretirement benefit cost, the difference between the actual and expected return on plan assets must be accounted for as a gain or loss. The net result of these provisions is that the expected return on plan assets is used to calculate postretirement benefit costs for the period.

Prior service cost - The amortization of retroactive benefits resulting from plan amendments and/or plan initiation that take place after the statement is adopted. These costs are generally amortized over the remaining service periods (to full eligibility date) of active employees not yet fully eligible for benefits.

Gains and losses - The amortization of the unrecognized net gain or loss from previous periods. The minimum amount of amortization will be based on the "corridor approach" whereby a company only amortizes the portion of accumulated gains and losses that exceed a prescribed limit (10% of the greater of APBO or the market-related value of plan assets).

Amortization of the transition obligation - Discussed previously.

DISCLOSURE

The Board proposes an extensive set of disclosures for defined postretirement benefit plans similar to those required for pensions under Statement No. 87 - a description of the plan, components of expense, funded status reconciliation, etc. In addition, companies will be required to disclose:

Information on the assumed health care cost trend rate

The effect on the APBO and the service cost and interest cost components of net periodic cost of a one percentage point increase in the cost trend rate

Components of APBO

EFFECTIVE DATE

The statement will be effective for fiscal years beginning after December 15, 1992 (i.e., accrual accounting should begin no later than the first quarter of fiscal 1993). Small nonpublic employers (under 500 participants) and foreign plans will have until the first quarter of fiscal 1995 to adopt the statement. Earlier adoption is encouraged by the FASB.

APPENDIX B

GLOSSARY OF TERMS

Accrual accounting

A method of accounting for retiree benefits where the costs are recognized when earned by employees during their working lifetimes rather than after retirement when the benefits are actually paid

Accrued liability

Liability representing the difference between the cumulative expense and amounts funded or paid by the employer

Accumulated Postretirement Benefit Obligation (APBO)

The actuarial present value of benefits expected to be paid after retirement that can be attributed to past service up to a particular date

Active plan participant

Any active employee who has rendered service during the credited service period and is expected to receive benefits, including benefits to or for any beneficiaries and covered dependents, under the postretirement benefit plan Also refer to **Plan participant**.

Actuarial present value

See "present value"

Amortization

The process of reducing a recognized asset systematically by recognizing expenses or costs In accounting for **OPBs**, amortization refers to the systematic recognition in annual expense of previously unrecognized amounts, including unrecognized prior service cost, unrecognized net gain or loss, and any unrecognized transition obligation or asset

Assumptions

Estimates of the occurrence of future events affecting postretirement benefit costs, such as turnover, retirement age, mortality, dependency status, per capita claims costs by age, health care cost trend rates, levels of Medicare and other health care providers' reimbursement, and discount rates to reflect the time value of money

Attribution method

A technique for assigning postretirement benefit cost to periods of employee service

Baseline cost

Current annual per-capita benefit plan costs

Benefit formula

The basis for determining benefits to which participants may be entitled under a postretirement benefit plan. A plan's benefit formula specifies the years of service to be rendered, age to be attained while in service, or a combination of both that must be met for an employee to be eligible to receive benefits under the plan. A plan's benefit formula may also define the beginning of the credited service period and the benefits earned for specific periods of service.

Carve-out method

A method of integrating with Medicare benefits where the plan benefit is calculated ignoring Medicare, and then any Medicare benefit is subtracted, or "carved out" to arrive at the net benefit.

COB (coordination of benefits)

A general term referring to integration of plan benefits with those paid from other sources (spouses' plans, other plans or Medicare). Not to be confused with the "COB method" of Medicare integration.

COB method

A method of integrating with Medicare benefits where the plan pays the difference between the claim amount and the Medicare benefit, up to the amount it would pay without Medicare.

Contributory plan

A plan under which retirees or active employees contribute part of the cost. In some contributory plans, retirees or active employees wishing to be covered must contribute, in other contributory plans, participants' contributions result in increased benefits.

Cost-sharing (provisions of the plan)

The provisions of the postretirement benefit plan that describe how the costs of the covered benefits are to be shared between the employer and the plan participants. Cost-sharing provisions describe retired and active plan participants' contributions toward their postretirement health care benefits, deductibles, coinsurance, out-of-pocket limitations on participant costs, caps on employer costs, and so forth.

Credited service period

Employee service period for which benefits are earned pursuant to the terms of the plan. The beginning of the credited service period may be the date of hire or a later date. For example, a plan may provide benefits only for service rendered after a specified age. Service beyond the end of the credited service period does not earn any additional benefits under the plan. Also refer to **Attribution period**.

Discount rate

The rate used to reflect the time value of money For OPBs, the discount rate is usually an expected return on high-quality, fixed income investments that will mature over approximately the same periods as expected benefit payments

Employers' Accounting for Postretirement Benefits Other Than Pensions

See FAS 106

Exclusion method

A method of integrating with Medicare benefits where the Medicare benefit is subtracted, or "excluded," from the total claim amount before the plan deductible and coinsurance is applied to determine the net benefit

Expected Postretirement Benefit Obligation (EPBO)

The actuarial present value of all benefits expected to be paid after retirement, including both past and future service

Expense

Net periodic postretirement benefit cost includes

- **Service cost** - the liability for the current year of employee service (similar to a "normal cost" for pension plans),
- **Interest cost** - the accrual of interest on the APBO due to the passage of time,
- **Amortization of transition obligation** - systematic recognition of the past service liability (less any plan assets) at the time of implementation of accrual accounting,
- **Amortization of gains and losses and prior service costs** - not applicable in the year of implementation, and
- **Earnings on assets** (if any),

FAS 106

Statement of Financial Accounting Standards No 106, Employers' Accounting for Postretirement Benefits Other Than Pensions, issued by the Financial Accounting Standards Board in December 1990

Full eligibility (for benefits)

The status of an employee having reached the employee's full eligibility date Full eligibility for benefits is achieved by meeting specified age, service, or age and service requirements of the postretirement benefit plan Also refer to **Full eligibility date**

Full eligibility date

The date at which an employee has rendered all of the service necessary to have earned the right to receive all of the benefits expected to be received by that employee (including any beneficiaries and dependents expected to receive benefits) Determination of the full eligibility date is affected by plan terms that provide incremental benefits expected to be received by or on behalf of an employee for additional years of service, unless those incremental benefits are trivial Determination of the full eligibility date is not affected by plan terms that define when benefit payments commence or by an employee's current dependency status

Funding policy

The program regarding the amounts and timing of contributions by the employer(s), plan participants, and any other sources to provide the benefits a postretirement benefit plan specifies

Graduation

An actuarial technique of "smoothing" progressions of numbers in order to reduce fluctuations due to irregularities in the observed data.

Health care cost trend rate

An assumption about future changes in the cost of health care benefits currently provided by the plan due to factors other than "aging" of the plan participants These factors include health care inflation, changes in utilization, technological advances, changes in regulatory requirements, and Medicare cost shifting

Multiple-employer plan

A postretirement benefit plan maintained by more than one employer but not treated as a multiemployer plan Multiple-employer plans are generally not collectively bargained and are intended to allow participating employers, commonly in the same industry, to pool their plan assets for investment purposes and to reduce the cost of plan administration A multiple-employer plan maintains separate accounts for each employer so that contributions provide benefits only for employees of the contributing employer Multiple-employer plans may have features that allow participating employers to have different benefit formulas, with the employer's contributions to the plan based on the benefit formula selected by the employer

OPB (Other Postretirement Benefit)

An acronym which refers to postretirement benefits other than pensions These benefits may be defined in terms of specified benefits, such as health care, tuition assistance or legal services, that are provided to retirees are the need for the benefit arises, or they may be defined in terms of monetary amounts that become payable on the occurrence of a specified event, such as life insurance benefits

Past service liability
The APBO

Pay-as-you-go accounting
A method of accounting for retiree benefits where the costs are recognized when the benefits are paid to the retiree (also known as cash accounting)

Plan participant
Any employee or former employee who has rendered service in the credited service period and is expected to receive employer-provided benefits under the postretirement benefit plan, including benefit to or for any beneficiaries and covered dependents. Also refer to **Active plan participant**.

Present value
The value of future amounts discounted back to today's dollars

Projected unit credit
The attribution method specified by FAS 106

Retirees
Collectively, that group of plan participants that includes retired employees, their beneficiaries, and covered dependents

Substantive plan
An employee benefit plan description which reflects both the written plan and the employer's past practices that are expected to continue into the future. The substantive plan (rather than the written plan) is the basis for accounting for postretirement benefits under FAS 106

Transition obligation
The APBO, reduced by any plan assets and balance sheet accruals, at the date FAS 106 adopted



Jackson Purchase Energy Corporation
Case No. 2007-00116
Account 426.100 - Other Income Deductions
December 31, 2006

Line No.	Item (a)	Amount (b)
1	Donations	1,000.00
2	Civic activities	
3	Political activities	
4	Other	424.07
5	Total	<u>1,424.07</u>

Jackson Purchase Energy Corporation
Case No. 2007-00116
December 31, 2006

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<u>Date</u>	<u>Check /Ref. No.</u>	<u>Name</u>	<u>Amount</u>		<u>Description</u>
02/03/06	150363	Ballard Memorial High School	100.00	x	Project Graduation
02/10/06	150405	Heath High School	100.00	x	Project Graduation
02/10/06	150404	Livingston Central	100.00	x	Project Graduation
02/10/06	150421	Reidland High School	100.00	x	Project Graduation
03/03/06	150676	Paducah Tilghman High School	100.00	x	Project Graduation
03/10/06	150750	Lone Oak High School	100.00	x	Project Graduation
03/17/06	150783	St. Mary High School	50.00	x	Project Graduation
03/24/06	150865	Community Christian Academy	50.00	x	Project Graduation
03/31/06	150943	Carlisle Co. High School	100.00	x	Project Graduation
04/07/06	151007	Graves Co. High School	100.00	x	Project Graduation
04/14/06	151095	Marshall County High School	100.00	x	Project Graduation
09/30/06	JE #67	CFC	424.07	x	Integrity Fund Contribution
		Grand Total	<u><u>1,424.07</u></u>		
		Excluded for rate making	<u><u>1,424.07</u></u>		



Witness: Chuck Williamson

Jackson Purchase Energy Corporation
Case No. 2007-00116
Rate Case Expenses
December 31, 2006

Estimated rate case costs:

Attorney	\$ 12,000
Consulting	5,000
Advertising	5,000
Supplies and miscellaneous	2,000
Total	<u>24,000</u>
Number of years	<u>3</u>
Adjustment	<u>\$ 8,000</u>

In-house labor was not included in the above adjustment as the labor would be incurred in other accounts.

This amount is substantially less than other rate requests filed before this commission.



Jackson Purchase Energy Corporation
Case No. 2007-00116
Adjustment for Miscellaneous Expenses
December 31, 2006

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Certain advertising expenses are disallowed for rate making purposes that are not for safety, conservation, information, or the annual meeting. These have been removed from accounts 913.000 thru 913.620, Advertising Expenses.

There are also expenses in account 926.200, Other Employee Pensions & Benefits, that are excluded for rate making purposes such as employee meals, gifts, flowers for deaths in families and employee illness, employee memberships in civic organizations, and tuition reimbursement.

There are Miscellaneous General Expenses that are also disallowed for rate making purposes are youth tour, scholarships, memberships in civic organizations, giveaways and sponsorship of sports, civic, and charitable related organizations.

The amounts removed for rate making purposes is as follows:

Account 913.000	Advertising Expenses	-
Account 913.400	Sales & Promo Exp - Miscellaneous	(23,287.52)
Account 913.410	Sales & Promo Media Exp - Newspaper	18,811.05
Account 913.420	Sales & Promo Ex - Newspaper	12,885.33
Account 913.430	Sales & Promo Exp - TV	28,996.25
Account 913.450	Sales & Promo Exp - Bs. Directory	-
Account 913.600	Sales & Promo Exp - Print/Misc.	633.00
Account 913.620	Sales & Promo Exp - Print/ Newsletter	-
Account 926.200	Other Employee Pensions & Benefits	29,176.69
Account 930.200	General Advertising Expenses	82,163.27
Account 930.220	Annual Meeting Expenses	(6,966.69)
Account 930.224	Annual Meeting Exp - Advertising	10,244.29
Account 930.226	Annual Meeting Exp - Prizes	-
Account 930.230	Annual Meeting Exp - Printing	-
		<u>152,655.67</u>

Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Sales & Promo Exp - Advertising Expenses - Account 913.000
 December 31, 2006

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<u>Check Month</u>	<u>Check Number</u>	<u>Vendor Name</u>	<u>Distribution Amount</u>	<u>Distribution Description</u>
02/17/06	150490	KAEC	23,271.36	2006 MEMBERSHIP
			<u>23,271.36</u>	
			<u>-</u>	

Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Sales & Promo Exp - Miscellaneous - Account 913.400
 December 31, 2006

Check Month	Check Number	Vendor Name	Distribution Amount	Distribution Description	Type
01/06/06	150050	MAZZONE COMMUNICATIONS	1,495.00	x 2006 MEMBERSHIP	Chamber Biz Directory
01/12/06	155189	MAZZONE COMMUNICATIONS	1,390.00	x PADUCAH LIFE MAGAZINE	Image
01/20/06	150187	MARKET HOUSE THEATRE	1,320.00	x NETWORKING INFORMATION	Image
02/17/06	150477	PADUCAH SUN/THE	3,000.48	x PROMOTIONS	Image
03/03/06	150651	PADUCAH SYMPHONY ORCHESTRA	1,800.00	x NETWORKING	Image
05/05/06	151394	MAZZONE COMMUNICATIONS	1,390.00	x PADUCAH LIFE MAGAZINE	Image
06/02/06	151698	MCYSA	1,000.00	x SPONSORSHIP GIRL'S U-10 SOCCER TEAM	Sponsorship/Image
06/16/06	151816	HOME BUILDERS ASSOC OF WEST KY	150.00	x NETWORKING IN NEWSLETTER	Image
06/16/06	151844	WORLD EXPOSITIONS	2,887.00	x ELECTRIC JOURNAL 23,000	Image
07/14/06	152183	MAZZONE COMMUNICATIONS	1,390.00	x PADUCAH LIFE MAGAZINE	Image
07/28/06	152329	PADUCAH SUN/PUBLISHING	500.00	x RELAY FOR LIFE	Image
09/08/06	152883	MAZZONE COMMUNICATIONS	1,390.00	x PADUCAH LIFE MAGAZINE	Image
11/17/06	154566	KENTUCKY PUBLISHING, INC	596.00	FARMERS QTRLY	Safety
		Reimbursement from BREC	(41,000.00)	x	
			<u>(22,691.52)</u>		
		Disallow for rate making purposes	<u>(23,287.52)</u>	x	

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Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Sales & Promo Media Exp - Newspaper - Account 913.410
 December 31, 2006

Check Month	Check Number	Vendor Name	Distribution Amount	Distribution Description	Type	Exclusions
02/03/06	150358	KENTUCKY PUBLISHING, INC	1,020.00	x NETWORKING IN WEST KY NEWS	Image	n/a
03/24/06	150846	PADUCAH SUN/THE	3,198.09	x HOME AND GARDEN - FEB.	Image	1,020.00
04/21/06	151133	PADUCAH SUN/THE	1,500.00	x POSH	Image	3,198.09
04/21/06	151133	PADUCAH SUN/THE	190.35	x SPRING HOME	Image	1,500.00
04/21/06	151133	PADUCAH SUN/THE	1,265.00	x SEVERE WEATHER	Safety	190.35
05/05/06	151387	KENTUCKY PUBLISHING, INC	595.00	FARMERS QUARTERLY	Safety	n/a
05/19/06	151497	PADUCAH SUN/THE	1,500.00	x INFORMATION NETWORKING	Image	1,500.00
05/19/06	151497	PADUCAH SUN/THE	1,157.84	x INFORMATION NETWORKING	Image	1,157.84
06/23/06	151905	PADUCAH SUN/THE	835.00	x RELAY FOR LIFE	Image	835.00
08/18/06	152598	KENTUCKY PUBLISHING, INC	595.00	FARMERS QUARTERLY	Safety	n/a
08/25/06	152722	KENTUCKY PUBLISHING, INC	395.00	x MARSHALL CO FAIR	Image	395.00
08/25/06	152676	PADUCAH SUN/THE	1,180.75	x TV GRID	Image	1,180.75
10/20/06	153944	PADUCAH SUN/THE	1,524.23	x CONTRACT SHORT RATE/FALL HOME	Image	1,524.23
10/20/06	153985	KENTUCKY PUBLISHING, INC	596.00	x ADVANCE YEOMAN	Image	596.00
11/10/06	154494	MAZZONE COMMUNICATIONS	1,390.00	x PADUCAH LIFE MAGAZINE	Image	1,390.00
11/24/06	154610	PADUCAH SUN/THE	1,083.79	x ADVERTISING - OCTOBER	Image	1,083.79
12/22/06	154925	PADUCAH SUN/THE	3,240.00	x BASKETBALL TABS	Image	3,240.00
			<u>21,266.05</u>			<u>18,811.05</u>

Disallow for rate making purposes 18,811.05 x

Exhibit G
 Schedule 12
 page 5 of 23

Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Sales & Promo Exp - Newspaper - Account 930.420
 December 31, 2006

Check Month	Check Number	Vendor Name	Distribution Amount	Distribution Description	Type
2/17/2006	150491	MANGINA/REBECCA MEEKS	130.00	STUDIO FEES	Radio Production - How To Pay Online; Incentive/conservation prog.
2/17/2006	150489	WREZ 105.5	916.67	NETWORKING	How To Pay Online; Incentive/Conservation Program
3/10/2006	150725	MANGINA/REBECCA MEEKS	65.00	STUDIO FEES	Radio Production - Scholarship Program
3/10/2006	150725	MANGINA/REBECCA MEEKS	65.00	STUDIO FEES	Radio Production - How to pay online
3/24/2006	150857	WREZ 105.5	48.00	ALL A TOURNAMENT	Scholarship Program
3/24/2006	150857	WREZ 105.5	48.00	ALL A TOURNAMENT	How To Pay Online
3/24/2006	150857	WREZ 105.5	541.67	YEARLY CONTRACT	Scholarship Program
3/24/2006	150857	WREZ 105.5	541.66	YEARLY CONTRACT	How To Pay Online
3/24/2006	150577	WKMS	1,500.00	UNDERWRITING	Image
4/14/2006	151078	WREZ 105.5	1,083.33	CONTRACT	Image
5/12/2006	151447	MANGINA/REBECCA MEEKS	65.00	STUDIO FEES	Radio Production Rates - Image
5/12/2006	151447	MANGINA/REBECCA MEEKS	65.00	STUDIO FEES	Bd. Of Dir. Election Petition Information
5/19/2006	151511	BRISTOL BROADCASTING CO, INC	112.00	NETWORKING	Radio Production Rates - Image
5/19/2006	151511	BRISTOL BROADCASTING CO, INC	112.00	NETWORKING	Bd. Of Dir. Election Petition Information
5/19/2006	151511	BRISTOL BROADCASTING CO, INC	120.00	NETWORKING	Radio Production Rates - Image
5/19/2006	151511	BRISTOL BROADCASTING CO, INC	120.00	NETWORKING	Bd. Of Dir. Election Petition Information
5/19/2006	151511	BRISTOL BROADCASTING CO, INC	120.00	NETWORKING	Radio Production Rates - Image
5/19/2006	151511	BRISTOL BROADCASTING CO, INC	152.00	NETWORKING	Bd. Of Dir. Election Petition Information
5/19/2006	151511	BRISTOL BROADCASTING CO, INC	152.00	NETWORKING	Radio Production Rates - Image
5/19/2006	151511	BRISTOL BROADCASTING CO, INC	295.00	NETWORKING	Bd. Of Dir. Election Petition Information
5/19/2006	151511	BRISTOL BROADCASTING CO, INC	295.00	NETWORKING	Radio Production Rates - Image
5/19/2006	151513	WREZ 105.5	541.66	NETWORKING	Bd. Of Dir. Election Petition Information
5/19/2006	151513	WREZ 105.5	541.67	NETWORKING	Bd. Of Dir. Election Petition Information
5/26/2006	151596	WREZ 105.5	1,000.00	PROJECT GRADUATION	Image
6/16/2006	151824	MANGINA/REBECCA MEEKS	70.00	STUDIO FEES	Radio Production - Scholarship Program Information
6/16/2006	151824	MANGINA/REBECCA MEEKS	70.00	STUDIO FEES	Radio Production - Safety
6/23/2006	151915	WREZ 105.5	541.66	CONTRACT	Scholarship Program Information
6/23/2006	151915	WREZ 105.5	541.67	CONTRACT	Safety
6/30/2006	151996	BRISTOL BROADCASTING CO, INC	124.00	PROMOTIONS	Safety
6/30/2006	151996	BRISTOL BROADCASTING CO, INC	124.00	PROMOTIONS	Scholarship Program Information
6/30/2006	151996	BRISTOL BROADCASTING CO, INC	150.00	PROMOTIONS	Safety
6/30/2006	151996	BRISTOL BROADCASTING CO, INC	150.00	PROMOTIONS	Scholarship Program Information
6/30/2006	151996	BRISTOL BROADCASTING CO, INC	152.00	PROMOTIONS	Safety
6/30/2006	151996	BRISTOL BROADCASTING CO, INC	152.00	PROMOTIONS	Scholarship Program Information
7/14/2006	152163	MANGINA/REBECCA MEEKS	65.00	STUDIO FEES	Scholarship Program Information
7/14/2006	152163	MANGINA/REBECCA MEEKS	65.00	STUDIO FEES	Radio Production - Scholarship Program
7/28/2006	152347	WREZ 105.5	541.67	POWER TO STUDENTS	Radio Production - Incentive/Conservation Program
7/28/2006	152347	WREZ 105.5	541.66	POWER TO STUDENTS	Scholarship Program Information
8/11/2006	152506	MANGINA/REBECCA MEEKS	130.00	STUDIO FEES	Incentive/Conservation Program
8/25/2006	152692	BRISTOL BROADCASTING CO, INC	200.00	BASEBALL SPONSOR	Radio Production Image
8/25/2006	152694	WREZ 105.5	400.00	CONTRACT	Image
9/22/2006	153006	MANGINA/REBECCA MEEKS	130.00	STUDIO FEES	Radio Production Image

Exhibit G
 Schedule 12
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Line	Date	Station	Product	Rate	Spots	Comments	Category
45	9/22/2006	153005 WREZ 105.5	YEARLY CONTRACT	400.00	x		Image
46	9/29/2006	153080 WGKY	NETWORKING	96.00	x		Image
47	10/6/2006	153301 MANGINA/REBECCA MEEKS	POPCORN FRIDAY	130.00	x		Image
48	10/20/2006	153955 BRISTOL BROADCASTING CO, INC	NETWORKING	208.00	x		Image
49	10/20/2006	153955 BRISTOL BROADCASTING CO, INC	NETWORKING	375.00	x		Image
50	10/20/2006	153957 WREZ 105.5	HALLOWEEN BAGS	816.67			Safety
51	11/10/2006	154478 MANGINA/REBECCA MEEKS	STUDIO FEES	130.00	x		Radio Production Image
52	11/24/2006	154629 WREZ 105.5	CAT MUG LOGO	200.00	x		Image
53	11/24/2006	154627 BRISTOL BROADCASTING CO, INC	UK SPONSOR	375.00	x		Image
54	11/24/2006	154629 WREZ 105.5	HALLOWEEN BAGS	416.67			Safety
55	11/24/2006	154656 Sun Media, WRIK	POPCORN FRIDAYS & OWNERS	500.00	x		Image
56	11/24/2006	154629 WREZ 105.5	POPCORN FRIDAYS & OWNERS	1,083.33	x		Image
57	12/15/2006	154866 MANGINA/REBECCA MEEKS	STUDIO FEES	65.00			Radio Production - Safety
58	12/15/2006	154866 MANGINA/REBECCA MEEKS	STUDIO FEES	65.00	x		Radio Production - Image
59	12/22/2006	154939 BRISTOL BROADCASTING CO, INC	NETWORKING	150.00			Safety
60	12/22/2006	154939 BRISTOL BROADCASTING CO, INC	UK SPONSOR	375.00	x		Image
61	12/22/2006	154943 WREZ 105.5	HALLOWEEN BAGS	416.66			Safety
62	12/22/2006	154939 BRISTOL BROADCASTING CO, INC	NUTCRACKER	420.00	x		Image
63	12/22/2006	154958 SUN MEDIA, WRIK	OWNERS/POP ON BY	500.00	x		Image
64	12/22/2006	154943 WREZ 105.5	YEARLY CONTRACT	1,083.33			Safety
65	1/19/2007	155244 FROGGY 103.7	HOLIDAY GREETINGS	100.00			Safety
66	1/19/2007	155230 BRISTOL BROADCASTING CO, INC	NETWORKING	375.00			Safety
67	1/19/2007	155248 SUN MEDIA, WRIK	NETWORKING	375.00			Safety
68	1/19/2007	155248 SUN MEDIA, WRIK	NETWORKING	500.00			Safety
69	1/19/2007	155230 BRISTOL BROADCASTING CO, INC	NETWORKING	798.00			Safety
70	1/19/2007	155232 WREZ 105.5	NETWORKING	1,083.33			Safety
71							
72				<u>23,696.31</u>			
73							
74				<u>12,885.33</u>	x		
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Disallow for rate making purposes

Any radio production - spot - we always run spots per month if one is safety/image then half.

Exhibit G
 Schedule 12
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Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Sales & Promo Exp - TV - Account 930.430
 December 31, 2006

Check Month	Check Number	Vendor Name	Distribution Amount	Distribution Description	Type
10	150492	WPSD-TV	153.00	x WEATHER BILLBOARDS	Image
11	150492	WPSD-TV	680.00	x BILLING RUN	Image
12	150492	WPSD-TV	612.00	x BILLBOARDS	Image
13	150492	WPSD-TV	127.50	x BILLING RUN	Image
14	150492	WPSD-TV	1,900.00	x ACADEMY AWARDS	Image
15	151145	WSIL-TV3	612.00	x BILLING RUN	Image
16	150997	WPSD-TV	4,186.25	x BILLING RUN	Image
17	150997	WPSD-TV	374.00	x INSIDE THE STORM	Safety
18	150997	WPSD-TV	20.00	x TECHNOLOGY	Image
19	151153	RAYCOM AMERICA INC	150.00	x TECHNOLOGY	Image
20	151148	KFVS TV	765.00	x BILLING RUN	Image
21	151599	WPSD-TV	2,401.25	x BILLING RUN	Image
22	151599	WPSD-TV	1,122.00	x INSIDE THE STORM	Safety
23	151599	WPSD-TV	612.00	x BILLBOARDS	Image
24	151918	WPSD-TV	552.50	x BILLING RUN	Image
25	151918	WPSD-TV	5,567.50	x BILLING RUN	Image
26	152245	WPSD-TV	612.00	x BILLBOARDS	Image
27	152245	WPSD-TV	650.00	x DISCOVER PADUCAH	Image
28	152245	WPSD-TV	2,239.50	x BILLBOARDS, DISCOVER PADUCAH	Image
29	153007	WPSD-TV	1,984.50	x BILLBOARDS, DISCOVER PADUCAH, JPEC	Image
30	153959	WPSD-TV	1,080.00	x COOPS TOGETHER	Image
31	153960	KFVS TV	125.00	x NETWORKING	Image
32	154940	FOX 23-KBSI-TV	1,500.00	x NETWORKING	Image
33	154942	WSIL-TV3	552.50	x NETWORKING	Image
34	154867	WPSD-TV	612.00	x WEATHER BILLBOARD	Image
35	154867	WPSD-TV	650.00	x DISCOVER PADUCAH	Image
36	154867	WPSD-TV	750.00	x COOPS TOGETHER	Image
37	154946	KFVS TV	1,910.00	x LEADER BOARD/POSH	Image
38	155221	PADUCAH SUN/THE	750.00	x NETWORKING	Image
39	155236	KFVS TV	650.00	x DISCOVER PADUCAH	Image: Website Information
40	155233	WPSD-TV	680.00	x NETWORKING	Image
41	155233	WPSD-TV	765.00	x WEATHER BILLBOARD	Image
42	155233	WPSD-TV	330.00	x NFL-COOPS	Image
43	155236	KFVS TV	612.00	x WEATHER BILLBOARD	Image
44	150859	WPSD-TV	552.50	x Billboards - AT	Image
45	154628	Fox 23 KBSI - TV	375.00	x Coops Together/ Intra Red/Brighter Tomorrow/ Working for You	Image
46	154628	Fox 23 KBSI - TV	125.00	x Coops Together/ Intra Red/Brighter Tomorrow/ Working for You	Image
47	154628	Fox 23 KBSI - TV	450.00	x Coops Together/ Intra Red/Brighter Tomorrow/ Working for You	Image
48	154628	Fox 23 KBSI - TV	150.00	x Coops Together/ Intra Red/Brighter Tomorrow/ Working for You	Image
49	154636	KFVS TV	330.00	x Coops Together	Image
50	154636	KFVS TV	3,174.75	x Discover Paducah/Bill Boards	Image
51	154632	WPSD-TV			
52					
54		Reimbursement from BREC	(10,000.00)	x	
55					
56			31,444.75		
57					
58		Disallow for rate making purposes	28,996.25	x	
59					

000309

Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Sales & Promo Exp - Print/Misc - Account 913.600
 December 31, 2006

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<u>Check</u>	<u>Month</u>	<u>Check</u>	<u>Number</u>	<u>Vendor Name</u>	<u>Distribution</u>	<u>Amount</u>	<u>Distribution</u>	<u>Description</u>											
	04/07/06	151000	MARKET HOUSE THEATRE		633.00	x	REPRINTING MISSPELLED PROGRAM	Image											
					<u>633.00</u>														
				Disallow for rate making purposes	<u>633.00</u>	x													

Exhibit G
 Schedule 12
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Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Sales & Promo Exp - Print/ Newsletter - Account 913.620
 December 31, 2006

Check Month	Check Number	Vendor Name	Distribution Amount	Distribution Description
02/24/06	150552	LAKE PRINTERS INC	1,302.86	MONTHLY NEWSLETTER FOR MEMBERS
03/17/06	150770	LAKE PRINTERS INC	1,285.36	MONTHLY NEWSLETTER FOR MEMBERS
04/28/06	151218	LAKE PRINTERS INC	1,281.62	MONTHLY NEWSLETTER FOR MEMBERS
05/19/06	151496	LAKE PRINTERS INC	1,287.85	MONTHLY NEWSLETTER FOR MEMBERS
06/23/06	151904	LAKE PRINTERS INC	1,270.41	MONTHLY NEWSLETTER FOR MEMBERS
07/21/06	152228	LAKE PRINTERS INC	1,270.41	MONTHLY NEWSLETTER FOR MEMBERS
08/18/06	152563	LAKE PRINTERS INC	1,270.41	MONTHLY NEWSLETTER FOR MEMBERS
09/15/06	152912	LAKE PRINTERS INC	1,270.41	MONTHLY NEWSLETTER FOR MEMBERS
10/13/06	153600	LAKE PRINTERS INC	1,270.41	MONTHLY NEWSLETTER FOR MEMBERS
11/24/06	154609	LAKE PRINTERS INC	1,620.72	MONTHLY NEWSLETTER FOR MEMBERS
12/22/06	154923	LAKE PRINTERS INC	1,270.41	MONTHLY NEWSLETTER FOR MEMBERS
01/19/07	155220	LAKE PRINTERS INC	1,270.41	MONTHLY NEWSLETTER FOR MEMBERS
			<u>15,671.28</u>	

Disallow for rate making purposes - x

NOTE: Includes Board of Director Report and Safety Message; alternative to KY Living Magazine

Jackson Purchase Energy Corporation

Case No. 2007-00116

Other Employee Pensions & Benefit - Account 926.200

December 31, 2006

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Check Number	Check Month	Vendor Name	Distribution Amount	Distribution Description
14997	01/06/06	NRECA	291.00	ANNUAL FEES
150270	01/27/06	BEHAVIORAL MEDICINE NETWORK	141.00	EMPLOYEE ASSISTANCE
150280	01/27/06	UNITED WAY OF PADUCAH-	40.00	VICTORY DINNER
150278	01/27/06	SANDHILLS URGENT CARE	50.00	GENERAL PHYSICAL
JE #66	01/31/06	VISA	13.76	R. BINKLEY BS. DINNER WITH T. BENSLEY
JE #66	01/31/06	VISA	160.92	LUNCHESES FOR OPERATIONS
150341	02/03/06	J & S VENDING	63.06	COFFEE SUPPLIES
150341	02/03/06	J & S VENDING	95.86	COFFEE SUPPLIES
150341	02/03/06	J & S VENDING	77.66	COFFEE SUPPLIES
150406	02/10/06	MLC'S RESTAURANT INC.	523.25	SAFETY BREAKFAST
150578	02/24/06	BEHAVIORAL MEDICINE NETWORK	141.00	EMPLOYEE ASSISTANCE
150594	02/28/06	HINES/RICHARD	750.00	RETIREMENT AWARD 36 YEARS
150652	03/03/06	J & S VENDING	76.02	COFFEE SUPPLIES
150652	03/03/06	J & S VENDING	77.48	COFFEE SUPPLIES
150652	03/03/06	J & S VENDING	140.80	COFFEE SUPPLIES
150775	03/17/06	JACKSON PURCHASE ENERGY	27.00	DONUTS FOR EMPLOYEE MEETING
150791	03/17/06	BEHAVIORAL MEDICINE NETWORK	141.00	EMPLOYEE ASSISTANCE
150860	03/24/06	OCCUNET	110.00	DRUG TEST
150860	03/24/06	OCCUNET	250.00	DRUG & ALCOHOL CLS
150878	03/24/06	DAVIS TROPHY	61.37	PLAQUES
150922	03/31/06	WILLIAMSON III/CHARLES G	52.00	KIWANIS DUES REFUND
JE #63	03/31/06	VISA	28.26	YOUTH TOUR, BLN MTG - WHITE
JE #65	03/31/06	VISA	73.43	SUPPLIES FOR RETIREMENT - HINES
151002	04/07/06	J & S VENDING	47.00	COFFEE SUPPLIES
151002	04/07/06	J & S VENDING	93.58	COFFEE SUPPLIES
151001	04/07/06	OCCUNET	290.00	HEPATITIS A & B SHOTS
151001	04/07/06	OCCUNET	130.00	PHYSICALS & VACCINE
151002	04/07/06	J & S VENDING	47.00	COFFEE SUPPLIES
151022	04/07/06	MORTON CENTER/THE	90.00	ASSESSMENT - EMPLOYEE
151002	04/07/06	J & S VENDING	52.42	COFFEE SUPPLIES
151002	04/07/06	J & S VENDING	90.29	COFFEE SUPPLIES
151079	04/14/06	OCCUNET	145.00	VACCINES
151098	04/14/06	RHEW-HENDLEY FLORIST	70.00	CARMAN AND REED
151077	04/14/06	STEGALL/SHARON	90.00	KIWANIS CLUB DUES

89	08/25/06	152709	BEHAVIORAL MEDICINE NETWORK	146.64		EMPLOYEE ASSISTANCE
90	08/31/06	JE#66	VISA	192.00		BENEFITS UPDATE CONFERENCE - STEGALL
91	09/01/06	152764	J & S VENDING	47.00		COFFEE SUPPLIES
92	09/01/06	152764	J & S VENDING	64.56		COFFEE SUPPLIES
93	09/01/06	152764	J & S VENDING	94.10		COFFEE SUPPLIES
94	09/08/06	152857	OCCUNET	65.00		PHYSICAL
95	09/08/06	152841	JACKSON PURCHASE ENERGY	27.45	x	TABLECLOTH FOR SAFETY BREAKFAST
96	09/08/06	152860	MLC'S RESTAURANT INC.	525.00	x	SAFETY BREAKFAST
97	09/15/06	152932	BEHAVIORAL MEDICINE NETWORK	146.64		EMPLOYEE ASSISTANCE
98	09/29/06	153111	RHEW-HENDLEY FLORIST	45.00	x	OVERTON - PLANT
99	09/29/06	153092	OCCUNET	65.00		PHYSICAL - DOT/CDL
100	09/29/06	153092	OCCUNET	65.00		PHYSICAL - DOT/CDL
101	09/30/06	JE #65	VISA	8.00		TRANSCRIPT FOR POTENTIAL EMPLOYEE
102	09/30/06	JE #65	VISA	120.50	x	FOOD - STORM OUTAGE
103	10/06/06	153303	J & S VENDING	113.60		COFFEE SUPPLIES
104	10/06/06	153303	J & S VENDING	41.50		COFFEE SUPPLIES
105	10/06/06	153303	J & S VENDING	26.74		COFFEE SUPPLIES
106	10/06/06	153303	J & S VENDING	26.20		COFFEE SUPPLIES
107	10/06/06	153356	J & S VENDING	70.50		COFFEE SUPPLIES
108	10/13/06	153604	JACKSON PURCHASE ENERGY	3.11	x	FOOD FOR OUTAGE
109	10/13/06	153617	WILLIAMSON III/CHARLES G	52.00	x	KIWANIS CLUB DUES
110	10/20/06	153992	RHEW-HENDLEY FLORIST	30.00	x	SILK ARRANGEMENT-CONNER
111	10/27/06	154314	BEHAVIORAL MEDICINE NETWORK	146.64		EMPLOYEE ASSISTANCE
112	11/03/06	154399	J & S VENDING	54.16		COFFEE SUPPLIES
113	11/03/06	154399	J & S VENDING	91.40		COFFEE SUPPLIES
114	11/03/06	154385	MILLER/TERESA	15.00		FLU VACCINE
115	11/03/06	154410	REED/LAURIE	15.00		FLU VACCINE
116	11/03/06	154417	WHITE/IZELL	15.00		FLU VACCINE
117	11/03/06	154399	J & S VENDING	109.37		COFFEE SUPPLIES
118	11/17/06	154547	OCCUNET	20.00		FLU VACCINES
119	11/17/06	154548	FOUR RIVERS CENTER	320.00	x	RENTAL CHRISTMAS PARTY
120	11/24/06	154644	BEHAVIORAL MEDICINE NETWORK	146.64		EMPLOYEE ASSISTANCE
121	11/24/06	154630	WILLIAMSON III/CHARLES G	52.00	x	KIWANIS DUES REFUND
122	12/01/06	154700	J & S VENDING	82.00		COFFEE, COCOA, TEA, S & L
123	12/01/06	154700	J & S VENDING	222.57		COFFEE SUPPLIES
124	12/01/06	154713	REED/LAURIE	2,225.00	x	REIMBURSE TUITIN/BOOKS
125	12/08/06	154805	MLC'S RESTAURANT INC.	525.00		SAFETY BREAKFAST
126	12/08/06	154817	JONES/STACY	1,699.38	x	TUITION REIMBURSEMENT
127	12/15/06	154891	RHEW-HENDLEY FLORIST	51.00	x	GREEN PLANT - J JOHNSON
128	12/15/06	154885	MID AMERICA LASER THERAPY LLC	1,700.00	x	SMOKING CESSATION - CO PORTION
129	12/15/06	154886	SMITH'S POULTRY, INC.	3,428.75	x	CHRISTMAS HAMS
130	12/15/06	154930	JACKSON PURCHASE ENERGY	69.49	x	UNITED WAY CAMPAIGN, CHRISTMAS GOODIE DAY
131	12/22/06	154957	ABSOLUTEHIRE	144.50		BACKGROUND SCREENING
132	12/29/06	155002	BEHAVIORAL MEDICINE NETWORK	146.64		EMPLOYEE ASSISTANCE

Line	Date	Description	Amount	Account	Code
133	12/29/06	NEIL'S CATERING	1,580.39		x
134	12/29/06	COMMONWEALTH INDUSTRIAL &	650.00		
135	12/31/06	VISA	32.62		
136	12/31/06	VISA	52.99		x
137	12/31/06	VISA	47.67		x
138	12/31/06	VISA	105.99		x
139	12/31/06	VISA	200.00		x
140	12/31/06	HOMESTEAD FUNDS	9,014.68		x
141	12/31/06	VISA	1,165.01		x
142	12/31/06	VISA	676.86		x
143	01/05/07	J & S VENDING	38.86		
144	01/05/07	J & S VENDING	24.00		
145	01/05/07	WAGNER CONVENTION & DECORATING	81.62		x
146	01/05/07	J & S VENDING	255.13		
147	01/05/07	J & S VENDING	44.58		
148	01/05/07	NUCKOLS/KELLY	214.00		x
149	01/12/07	MARTIN/TONY	265.00		x
150	01/19/07	SAM'S CLUB	300.00		x
151	02/16/07	SAM'S CLUB	52.89		x
152	02/16/07	SAM'S CLUB	53.00		x
153	02/16/07	SAM'S CLUB	104.87		x
154		Cooperative labor	30,941.49		
155		Benefits, transportation	17,118.00		
156		Reimbursement for Flu Shots - non employees, retirees	(150.00)		x
157			<u>86,225.02</u>		
158					
159		Disallow for rate making purposes	29,176.69		x
160					
161					
162					
163					
164					

Jackson Purchase Energy Corporation

Case No. 2007-00116

Miscellaneous - General Advertising Expenses - Account 930.200

December 31, 2006

	Check Month	Check Number	Vendor Name	Distribution Amount	Distribution Description
1					
2					
3					
4					
5					
6					
8					
9					
10					
11					
12	01/06/06	149985	PADUCAH AREA CHAMBER OF	5,000.00	x ANNUAL MEETING TITLE SPONSOR
13	01/06/06	149985	PADUCAH AREA CHAMBER OF	700.00	x POWER CARDS
14	01/06/06	150015	FOUR RIVERS CENTER	5,000.00	x CLASS ACT 42ND STREET GOLD SPONSOR
15	01/06/06	150020	BALLARD COUNTY CHAMBER OF	500.00	x MEMBERSHIP BALLARD CO CHAMBER
16	01/06/06	150024	LOURDES FOUNDATION	500.00	x MARDI GRAS & ALL THAT JAZZ 2006
17	01/06/06	150024	LOURDES FOUNDATION	1,500.00	x MARDI GRAS & ALL THAT JAZZ 2006
18	01/06/06	150027	KY BUSINESS LEADERSHIP NETWORK	100.00	x MEMBERSHIP IZELL WHITE
19	01/27/06	150247	PADUCAH AREA CHAMBER OF	1,000.00	x ANNUAL MEMBERSHIP INVESTMENT
20	02/03/06	150313	PADUCAH AREA CHAMBER OF	500.00	x CORP CO-SPONSOR
21	02/03/06	150337	MARKET HOUSE THEATRE	2,500.00	x CO PRODUCERS NAME ON BACK OF TICKETS
22	01/20/06	150196	PURCHASE PARTNERSHIP PROGRESS	833.33	x INVESTMENT IN PURCHASE PARTNERSHIP
23	01/20/06	150199	WEST KY COMM. & TECH COLLEGE	1,000.00	x SCHOLARSHIPS FOR JOSEPH ADAMS & BRIAN DICKEY
24	01/20/06	150212	MURRAY STATE UNIVERSITY	500.00	x SHANNA FEEZOR SCHOLARSHIP
25	01/20/06	150282	MURRAY STATE UNIVERSITY	500.00	x CORY DAVIDSON SCHOLARSHIP
26	02/10/06	150408	YEISER ART CENTER	3,000.00	x TEEN SPIRIT SPONSOR
27	02/10/06	150414	AMERICAN CANCER SOCIETY	250.00	x RELAY FOR LIFE
28	02/24/06	150553	PADUCAH SUN/THE	2,500.00	x NIE DONATION
29	02/17/06	150507	COOPERATIVE BALLOON ASSOCIATES	4,485.90	x TOUCHSTONE ENERGY HOT AIR BALLOON
30	03/03/06	150670	NRECA	37.63	x POSTER
31	03/03/06	150675	LEE WAYNE COMPANY, INC	170.96	x POPCORN BAGS
32	03/03/06	150675	LEE WAYNE COMPANY, INC	469.58	x GOLF BALLS
33	03/03/06	150675	LEE WAYNE COMPANY, INC	906.14	x MUGS, PAPERWEIGHTS
34	02/10/06	150424	FOUR RIVERS CENTER	1,250.00	x DEPOSIT FOR ANNUAL MEETING
35	02/24/06	150565	HOME BUILDERS ASSOC OF WEST KY	20.00	x DINNER MEETING
36	02/24/06	150574	PURCHASE PARTNERSHIP PROGRESS	833.33	x PURCHASE PARTNERSHIP - ECONOMIC DEVELOPMENT
37	03/10/06	150724	KAEC	333.83	x LEGISLATIVE RECEPTION IN FRANKFORT
38	03/17/06	150787	ZEBRA GRAPHICS	311.64	x POSTERS
39	03/17/06	150805	LEE WAYNE COMPANY, INC	508.59	x HARBOR LIGHTS
40	03/10/06	150746	LEE WAYNE COMPANY, INC	82.81	x SMILEYFACE LOLLYPOPS
41	03/17/06	150775	JACKSON PURCHASE ENERGY	31.56	x REALITY STORE CANDY
42	03/31/06	150929	AMERICAN CANCER SOCIETY	1,000.00	x MCCRACKEN CO RELAY FOR LIFE
43	03/31/06	150929	AMERICAN CANCER SOCIETY	500.00	x LIVINGSTON RELAY FOR LIFE
44	03/31/06	150929	AMERICAN CANCER SOCIETY	500.00	x BALLARD RELAY FOR LIFE

45	03/31/06	150929	AMERICAN CANCER SOCIETY			150.00	x	MCCRACKEN REGISTRATION FEE
46	03/31/06	150933	PURCHASE PARTNERSHIP PROGRESS			833.33	x	PURCHASE PARTNERSHIP - ECONOMIC DEVELOPMENT
47	03/31/06	150938	BUSINESS EDUCATION PARTNERSHIP			200.00	x	PARTNERSHIP BUSINESS EDUCATION
48	04/07/06	151025	LEE WAYNE COMPANY, INC			1,798.40	x	UTILITY KITS, DEBOSS BAGS,
49	03/31/06	150948	SMITHLAND CHAMBER OF COMMERCE			50.00	x	BUSINESS MEMBERSHIP 2006
50	04/07/06	150996	MANGINA/REBECCA MEEKS			130.00	x	STUDIO FEES - image
51	03/31/06	150945	PADUCAH PARENTING & FAMILY			650.00	x	NETWORKING - image
52	04/14/06	151093	LEE WAYNE COMPANY, INC			1,694.11	x	NIGHT LIGHTS
53	04/21/06	151171	RURAL COOPERATIVES CREDIT UN			5.14		ANNUAL FEE
54	04/21/06	151171	RURAL COOPERATIVES CREDIT UN			5.14		ANNUAL FEE
55	04/21/06	151171	RURAL COOPERATIVES CREDIT UN			5.14		ANNUAL FEE
56	04/21/06	151171	RURAL COOPERATIVES CREDIT UN			5.14		ANNUAL FEE
57	04/21/06	151171	RURAL COOPERATIVES CREDIT UN			5.14		ANNUAL FEE
58	04/21/06	151171	RURAL COOPERATIVES CREDIT UN			5.15		ANNUAL FEE
59	04/21/06	151171	RURAL COOPERATIVES CREDIT UN			5.15		ANNUAL FEE
60	04/21/06	151168	PADUCAH PARENTING & FAMILY			650.00	x	INSIDE FRONT COVER FULL PAGE PRINT AD
61	04/14/06	151080	AMERICAN CANCER SOCIETY			21.43	x	COMPANY MATCH FOR RELAY FOR LIFE
62	04/14/06	151080	AMERICAN CANCER SOCIETY			21.43	x	COMPANY MATCH FOR RELAY FOR LIFE
63	04/14/06	151080	AMERICAN CANCER SOCIETY			21.43	x	COMPANY MATCH FOR RELAY FOR LIFE
64	04/14/06	151080	AMERICAN CANCER SOCIETY			21.43	x	COMPANY MATCH FOR RELAY FOR LIFE
65	04/14/06	151080	AMERICAN CANCER SOCIETY			21.43	x	COMPANY MATCH FOR RELAY FOR LIFE
66	04/14/06	151080	AMERICAN CANCER SOCIETY			21.42	x	COMPANY MATCH FOR RELAY FOR LIFE
67	04/14/06	151080	AMERICAN CANCER SOCIETY			21.43	x	COMPANY MATCH FOR RELAY FOR LIFE
68	04/21/06	151151	SAM'S CLUB			252.30	x	BUBBLE GUM
69	04/21/06	151151	SAM'S CLUB			245.77	x	BASKETS & EGGS
70	04/28/06	151267	LEE WAYNE COMPANY, INC			230.74	x	YELLOW BAGS WITH FOREST GREEN
71	04/21/06	151177	MAYFIELD-GRAVES CO CHMBR OF			25.00	x	1 TICKET FOR ANNUAL DINNER
72	05/05/06	151366	BALLARD COUNTY CHAMBER OF			1,000.00	x	KEYSTONE CORP. SPONSOR
73	05/12/06	151459	LEE WAYNE COMPANY, INC			174.78	x	PENCILS
74	05/19/06	151537	HULTMAN SIGNS & SCREEN PT, INC			153.70		3 X 3 BANNER - LOGO
75	05/05/06	151365	PADUCAH BOARD OF REALTORS INC.			240.00	x	8TH ANNUAL GOLF SCRAMBLE
76	05/05/06	151378	PADUCAH PARENTING & FAMILY			650.00	x	INSIDE FRONT COVER FULL PAGE PRINT AD
77	05/12/06	151458	WHITE/IZELL			74.75	x	YOUTH TOUR / SHRM STATE COUNCIL MEETING
78	05/26/06	151587	HOME BUILDERS ASSOC OF WEST KY			355.00	x	MEMBERSHIP DUES
79	06/09/06	151743	LEADERSHIP PADUCAH			35.00	x	LEADERSHIP PADUCAH
80	05/22/06	151545	SAM'S CLUB			68.49	x	WATER AND COKES
81	05/22/06	151545	SAM'S CLUB			74.78	x	POPCORN OIL, BAGS, SALT
82	05/22/06	151545	SAM'S CLUB			27.98	x	EASTER EGGS
83	06/09/06	151727	HOME BUILDERS ASSOC OF WEST KY			300.00	x	GOLF SPONSORSHIP
84	06/09/06	151743	LEADERSHIP PADUCAH			35.00	x	LEADERSHIP PADUCAH DUES PATRICK KERR
85	06/09/06	151743	LEADERSHIP PADUCAH			250.00	x	SPONSORSHIP OF LEADERSHIP PADUCAH REUNION
86	06/09/06	151718	PADUCAH AREA CHAMBER OF			550.00	x	GOLF SCRAMBLE
87	06/02/06	151700	MILLER/GLEN			480.00	x	TRAVEL ADVANCE TO WASHINGTON DC

88	06/05/06	151707	FOUR RIVERS CENTER/CARSON	1,250.00		RENTAL DEPOSIT FOR ANNUAL MEETING
89	06/16/06	151829	SAM'S CLUB	11.36	x	SAFETY AWARENESS - COOKIES
90	06/16/06	151832	PURCHASE PARTNERSHIP PROGRESS	833.33	x	PURCHASE PARTNERSHIP - ECONOMIC DEVELOPMENT
91	06/16/06	151832	PURCHASE PARTNERSHIP PROGRESS	833.33	x	PURCHASE PARTNERSHIP - ECONOMIC DEVELOPMENT
92	06/16/06	151843	NAACP YOUTH COUNCIL	300.00	x	RUND RAISING ONE YOUTH
93	07/14/06	152162	KAEC	2,550.00	x	2006 YOUTH TOUR
94	07/07/07	152091	HOME BUILDERS ASSOC OF WEST KY	15.00	x	DINNER MEETING
95	07/07/07	152091	HOME BUILDERS ASSOC OF WEST KY	15.00	x	DINNER MEETING
96	07/07/07	152115	ROSS/DAVID	39.87		TELLER COMMITTEE PAY
97	07/07/07	152125	GLISSON/JANE	126.70		TELLER COMMITTEE PAY
98	07/28/06	152358	RAMAGE/STEPHANIE	143.61		TELLER VOUCHER
99	07/28/06	152361	PADUCAH SUMMER FESTIVAL	1,500.00	x	SUMMER FESTIVAL
100	07/28/06	152371	BROOKS STADIUM COMMISSION	750.00	x	BASEBALL YOUTH CLINIC
101	07/21/06	152282	BALLARD COUNTY SCHOOL BOARD	70.00	x	SPONSOR A TABLE FOR BREAKFAST
102	08/04/06	152451	HULTMAN SIGNS & SCREEN PT, INC	228.96		SHIRTS
103	08/04/06	152416	MAILIT XPRESS, INC	5,521.97	x	PRESORTING AND POSTAGE - IMAGE
104	08/04/06	152416	MAILIT XPRESS, INC	700.00		PRESORTING AND POSTAGE - BALLOTS
105	08/18/06	152573	KERR/PATRICK	150.00	x	PADUCAH SYMPHONY MEMBERSHIP
106	08/18/06	152584	UNIVERSITY OF LOUISVILLE	500.00	x	SCHOLARSHIP SARA WHITE
107	08/18/06	152605	MURRAY STATE UNIVERSITY	500.00	x	SCHOLARSHIP LAUREN ALLARD
108	08/18/06	152605	MURRAY STATE UNIVERSITY	500.00	x	SCHOLARSHIP LOGAN CARNEAL
109	08/18/06	152605	MURRAY STATE UNIVERSITY	500.00	x	SCHOLARSHIP JESSICA TUTOR
110	08/18/06	152594	EASTERN KENTUCKY UNIVERSITY	500.00	x	SCHOLARSHIP BEN HAMBY
111	08/18/06	152595	WESTERN KENTUCKY UNIVERSITY	500.00	x	SCHOLARSHIP CHEYENNA KING
112	09/08/06	152856	AD VANTAGE MULTIMEDIA	198.00		WEBSITE HOSTING
113	09/08/06	152877	LEE WAYNE COMPANY, INC	173.76	x	POPCORN BAGS
114	09/15/06	152927	SAM'S CLUB	83.87	x	CANDY
115	09/29/06	153097	LIVINGSTON CO. FISCAL COURT	600.00	x	INDUSTRIAL SITE SIGN
116	10/20/06	153962	SAM'S CLUB	66.40	x	CANDY
117	10/27/06	154325	NAACP	250.00	x	GOLD SPONSOR
118	11/24/06	154657	GRAND RIVERS TOURISM COMM.	1,000.00	x	SPONSORSHIP OF FESTIVAL OF LIGHTS
119	11/17/06	154550	SAM'S CLUB	175.00		MEMBERSHIP
120	11/17/06	154550	SAM'S CLUB	108.37	x	POPCORN/GUM/CANDY
121	12/01/06	154686	HOME BUILDERS ASSOC OF WEST KY	1,144.00	x	DINNER SPONSOR AT MR BILLS
122	12/01/06	154720	HULTMAN SIGNS & SCREEN PT, INC	371.00	x	TABLE THROW
123	12/15/06	154872	S & W PRODUCTIONS	1,500.00	x	VIDEO PRODUCTIONS
124	12/15/06	154887	MARSHALL CO CHAMBER OF COMM	500.00	x	MEMBERSHIP
125	12/22/06	154930	JACKSON PURCHASE ENERGY	1.61	x	FLOAT SUPPLIES
126	12/22/06	154962	MURRAY ST UNIVERSITY FOUNDATIO	1,000.00	x	STEPHANIE KIRK MEMORIAL SCHOLARSHIP FUND
127	07/01/05	147253	NRECA	15,258.00		MEMBERSHIP DUES 01/01/06-06/30/2006
128	07/07/06	152112	NRECA	15,826.98		MEMBERSHIP DUES 07/01/06-12/31/2006
129	02/17/06	150490	KAEC	34,907.04		MEMBERSHIP DUES 01/01/06-12/31/2006
130	08/31/06	JE #66	VISA	386.13	x	JPEC ANNUAL MEETING DINNER - G. KELLY NUCKOLS

Line #	Date	Account #	Description	Amount
131	08/31/06	JE #66	VISA	123.63
132	06/30/06	JE #64	CASH ADVANCE/VISA	3,064.68
133	02/28/06	JE #98	HOMEBUILDERS ASSN OF WEST KY	20.23
134	12/12/05	149578	HOMEBUILDERS ASSN OF WEST KY	375.00
135	02/28/06	JE #98	HOMEBUILDERS ASSN OF WEST KY	61.13
136	04/21/06	151174	LEE WAYNE CORPORATION	1,514.21
137	05/31/06		VISA	81.53
138	11/30/06	JE#61	VISA	198.04
139	03/31/06	JE#65	VISA	119.80
140	04/30/06	JE#63	VISA	513.64
143	08/31/06	JE#95	VISA	480.00
144	07/31/06	JE#62	VISA	169.00
145	08/31/06	JE#66	VISA	283.75
146	09/30/06	152676	PADUCAH SUN/ SUN PUBLISHING	5,515.35
147	02/28/06	JE #98	NRECA	21.32
148	04/14/06	151090	VISA	45.58
149	12/31/06	JE#63	VISA	210.37

JPEC ANNUAL MEETING EXPENSE - BUCHANAN
 ANNUAL MEETING EXPENSE - CASH PRIZES/MEALS
 STORES CLEARING - FEBRUARY 2006
 BOOTH SPACE FOR FEBRUARY 2006
 STORES CLEARING - FEBRUARY 2006
 PENS
 PIZZA FOR MCNABB ELEMENTARY KIDS
 MATERIALS FOR XMAS & LUNCH
 YOUTH TOUR / BLN MEETING - I. WHITE
 YOUTH TOUR / SHRM STATE COUNCIL MEETING
 YOUTH TOUR - T. MILLER
 PROPS FOR CHAMBER MEMBERSHIPS
 LUNCH WITH JEFF VOIGHT, ETC. KERR
 TV GRID - JUNE/JULY - IMAGE
 STORES CLEARING - FEBRUARY 2006
 SUBSCRIPTION TO RURAL ELECTRIC MAGAZINE - MYERS
 XMAS LIGHTS, LUNCH - KERR

(15,833.33) x
137,443.65
82,163.27 x

Reimbursement from BREC
 Disallow for rate making purposes

Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Annual Meeting Expenses - 930.220
 December 31, 2006

Check Month	Check Number	Vendor Name	Distribution Amount	Distribution Description
06/30/06	152017	SHIRTS FOR ANNUAL MEETING	2,737.54	HULTMAN SIGNS & SCREEN PT, INC
06/09/06	151766	POSTAGE FOR BALLOTS 2006	6,547.80	POSTMASTER
06/30/06	152008	PURCHASE PARTNERSHIP	833.33	PURCHASE PARTNERSHIP PROGRESS x
06/23/06	151936	PERFORMING AT ANNUAL MEETING	150.00	THE MOREHEADS
06/23/06	151937	FLAG PRESENTATION AT ANNUAL MEETING	50.00	BOY SCOUT TROOP 6
07/21/06	152272	SHIRTS	27.56	HULTMAN SIGNS & SCREEN PT, INC
06/28/06	151945	POSTAGE FOR BALLOTS RETURNED	1,170.50	POSTMASTER
07/21/06	152244	BARCODING AND SORTING	1,508.80	MAILIT XPRESS, INC
07/21/06	152268	2006 ANNUAL MEETING	53.21	MINUTEMAN PRESS
06/30/06	152044	ENTERTAINMENT ANNUAL MEETING	100.00	THE MOREHEADS
06/30/06	152040	TELLER COMMITTEE PAY	293.45	DEWEESEWAYNE
06/30/06	152034	TELLER COMMITTEE PAY	242.29	WRIGHT/WILLIAM O
06/30/06	152036	TELLER COMMITTEE PAY	285.44	RAMAGE/RITA
06/30/06	152035	TELLER COMMITTEE PAY	289.00	RAMAGE/LOIS
06/30/06	152043	TELLER COMMITTEE PAY	150.00	WRIGHT/BETTY
06/30/06	152039	TELLER COMMITTEE PAY	208.74	DAVIS/MARSHA
06/30/06	152041	TELLER COMMITTEE PAY	178.04	WATWOOD/CHERYL
06/30/06	152037	TELLER COMMITTEE PAY	242.74	SMITH/GARY
06/30/06	152038	TELLER COMMITTEE PAY	160.69	PHELPS/CYNTHIA
06/30/06	152045	TELLER COMMITTEE PAY	274.76	ELROD/FRANKLIN
06/30/06	152046	TELLER COMMITTEE PAY	239.89	ROSS/DAVID
06/30/06	152047	TELLER COMMITTEE PAY	300.57	RENFROW/RETA
06/30/06	152048	ANNUAL MEETING CASH FOR EMPLOYEE PRIZES	200.00	WHITE/IZELL x
07/07/06	152108	TELLER COMMITTEE PAY	145.00	INGRAM/MARY ANN
07/28/06	152354	ANNUAL MEETING	1,101.27	FOUR RIVERS CENTER
07/28/06	152376	LOGOS ON SHIRTS	27.56	HULTMAN SIGNS & SCREEN PT, INC
07/28/06	152332	DONUTS FOR TELLER COMMITTEE	12.00	JACKSON PURCHASE ENERGY
08/04/06	152423	POSTERS	103.88	ZEBRA GRAPHICS
08/04/06	152425	PURCHASE PARTNERSHIP	833.33	PURCHASE PARTNERSHIP PROGRESS x
08/18/06	152599	CREDIT DEFECTIVE SHIRT	4.88	HULTMAN SIGNS & SCREEN PT, INC
09/15/06	152929	PURCHASE PARTNERSHIP	833.33	PURCHASE PARTNERSHIP PROGRESS x

833.33 x PURCHASE PARTNERSHIP PROGRESS
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(6,966.69) x

154999 PURCHASE PARTNERSHIP
 155066 PURCHASE PARTNERSHIP
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12/29/06
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Coop Labor
 Benefits, transportation
 Reimbursement from BREC

Disallow for rate making purposes

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Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Annual Meeting Advertising- 930.224
 December 31, 2006

Check Month	Check Number	Vendor Name	Distribution Amount	Distribution Description	Type
07/21/06	152242	BRISTOL BROADCASTING CO, INC	200.00	BASEBALL SPONSOR	Image Advertising
07/28/06	152329	PADUCAH SUN/THE	4,217.29	RELAY FOR LIFE	Image Advertising
07/28/06	152345	BRISTOL BROADCASTING CO, INC	210.00	PROMOS	Image Advertising
07/28/06	152345	BRISTOL BROADCASTING CO, INC	304.00	PROMOS	Image Advertising
07/28/06	152345	BRISTOL BROADCASTING CO, INC	256.00	PROMOS	Image Advertising
07/28/06	152345	BRISTOL BROADCASTING CO, INC	384.00	PROMOS	Image Advertising
07/28/06	152345	BRISTOL BROADCASTING CO, INC	498.00	PROMOS	Image Advertising
07/28/06	152345	BRISTOL BROADCASTING CO, INC	1,491.00	PROMOS	Image Advertising
07/28/06	152347	WREZ 105.5	200.00	REMOTE	Image Advertising
08/25/06	152692	BRISTOL BROADCASTING CO, INC	224.00	NETWORKING	Image Advertising
08/25/06	152696	WPSD-TV	2,044.00	NETWORKING	Image Advertising
09/22/06	153004	BRISTOL BROADCASTING CO, INC	216.00	NETWORKING	Image Advertising

10,244.29

Disallow for rate making purposes 10,244.29 x

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EXHIBIT G
 Schedule 12
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Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Annual Meeting Exp - Printing - 930.226
 December 31, 2006

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<u>Check Month</u>	<u>Check Number</u>	<u>Vendor Name</u>	<u>Distribution Amount</u>	<u>Distribution Description</u>
07/07/06	152082	LAKE PRINTERS INC	4,071.46	BALLOTS/ENVELOPES
02/24/06	150586	HULTMAN SIGNS	662.50	JPEC Banner with Pole
			<u>4,733.96</u>	
		Disallow for rate making purposes	-	x

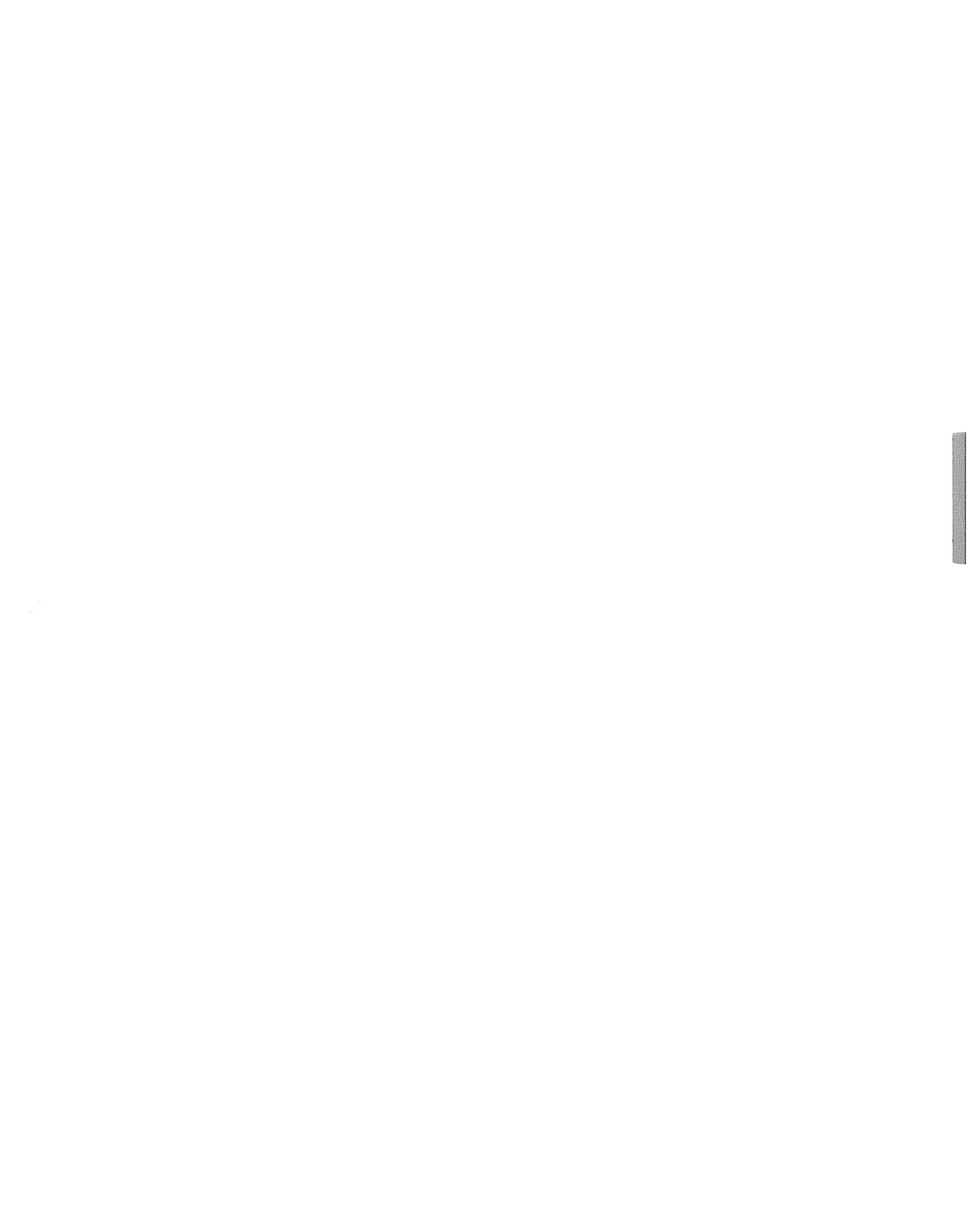
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EXHIBIT 97
 Schedule 12
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Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Newsletter Expense - 930.230
 December 31, 2006

<u>Check Month</u>	<u>Check Number</u>	<u>Vendor Name</u>	<u>Distribution Amount</u>	<u>Distribution Description</u>
06/16/06	151836	OLIVERI DESIGN	1,500.00	ANNUAL REPORT
08/04/06	152423	ZEBRA GRAPHICS	2,541.62	ANNUAL REPORT
		Coop Labor	11,014.64	
		Benefits & Transportation	6,449.73	
			<u>21,505.99</u>	
		Disallow for rate making purposes	-	x

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Jackson Purchase Energy Corporation
Case No. 2007-00116
Analysis of Other Operating Taxes
December 31, 2006

Line No.	Item (a)	Charged to Expense (b)	Charged to Construction (c)	Charged to Other Accounts (d)	Amounts Accrued (e)	Amount Paid (f)
1	1 Kentucky Retail:					
2	(a) State Income					
3	(b) Franchise Fees					
4	(c) Ad Valorem	592,331	-	-	592,331	554,361
5	(d) Payroll (Employer's Portion)	207,909	110,678	26,570	345,157	344,918
6	(e) Other Taxes	41,657			41,657	41,657
7	2 Total Retail					
8	(L1(a) through (L1(e)))	841,897	110,678	26,570	979,145	940,936
9	3 Other Jurisdictions	-	-	-	-	-
10	Total Per Books (L2 and L3)	841,897	110,678	26,570	979,145	940,936

Allocation of property taxes for the last year:

Account No.	Description	Test Year	Percent	Adjustment
583.000	Overhead Line Expenses	197,444	33.33%	\$ 14,439
593.000	Maintenance of Overhead Lines	197,444	33.33%	14,439
921.000	Office Supplies & Expenses	197,443	33.33%	14,439
		592,331		\$ 43,317

Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Property Taxes
 December 31, 2006

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Taxing District	2006			2005			Increase (Decrease) in Taxes	
	Assessment	Tax Rate	Taxes Paid	Assessment	Tax Rate	Taxes Paid		
Ballard County:								
Real Estate - County	x	378,636	17.30	655.04	356,754	18.30	652.86	2.18
Real Estate - School	x	378,636	46.90	1,775.80	356,754	48.90	1,744.53	31.27
Real Estate - Health	x	378,636	3.00	113.59	356,754	3.00	107.03	6.56
Real Estate - Extension	x	378,636	3.00	113.59	356,754	3.20	114.16	(0.57)
Real Estate - Conservation	x	378,636	1.50	56.80	356,754	1.50	53.51	3.29
Tangible - County	x	5,258,469	0.21	11,042.78	5,261,149	48.90	11,048.41	(5.63)
Tangible - School	x	5,258,469	48.90	25,713.92	5,261,149	48.90	25,727.02	(13.10)
Tangible - Health	x	5,258,469	3.00	1,577.54	5,261,149	3.00	1,578.34	(0.80)
Tangible - Extension	x	5,258,469	3.00	1,577.54	5,261,149	3.10	1,630.96	(53.42)
Discount for early payment	x			(852.53)			0.00	(852.53)
Carlisle County:								
Real Estate - County	x	63,926	14.60	93.33	60,842	14.00	85.18	8.15
Real Estate - School	x	63,926	39.00	249.31	60,842	37.20	226.33	22.98
Real Estate - Health	x	63,926	3.20	20.46	60,842	3.20	19.47	0.99
Real Estate - Extension	x	63,926	5.60	35.80	60,842	5.30	32.25	3.55
Real Estate - Ambulance	x	63,926	7.00	44.75	60,842	6.70	40.76	3.99
Real Estate - Soil & Water	x	63,926	1.80	11.51	60,842	1.80	10.95	0.56
Tangible - County	x	696,584	14.60	1,017.01	669,646	14.00	979.50	37.51
Tangible - School	x	696,584	39.00	2,716.67	669,646	37.20	2,602.69	113.98
Tangible - Health	x	696,584	3.20	222.91	699,646	3.20	223.89	(0.98)
Tangible - Extension	x	696,584	8.10	564.23	699,646	7.49	524.03	40.20
Tangible - Ambulance	x	696,584	7.00	487.61	699,646	6.70	468.76	18.85
Graves County:								
Real Estate - County	x	304,900	9.10	277.46	286,135	8.90	254.66	22.80
Real Estate - School	x	304,900	35.50	1,082.40	286,135	34.10	975.72	106.68
Real Estate - Library	x	304,900	4.30	131.11	286,135	4.00	114.45	16.66
Real Estate - Health	x	304,900	3.50	106.72	286,135	3.50	100.15	6.57
Real Estate - JU Kevil	x	304,900	2.10	64.03	286,135	2.10	60.09	3.94
Tangible - County	x	3,214,428	10.50	3,375.15	3,208,260	10.50	3,368.67	6.48
Tangible - School	x	3,214,428	35.90	11,539.78	3,208,260	34.20	10,972.26	567.52
Tangible - Library	x	3,214,428	7.67	2,465.47	3,208,260	5.52	1,770.96	694.51
Tangible - Health	x	3,214,428	3.50	1,125.05	3,208,260	3.50	1,122.89	2.16
Tangible - JU Kevil	x	3,214,428	2.10	675.03	3,208,260	2.10	673.73	1.30
Livingston County:								
Real Estate - County	x	785,271	11.90	934.47	738,990	11.90	879.40	55.07
Real Estate - School	x	785,271	37.80	2,968.32	738,990	37.60	2,778.60	189.72
Real Estate - Health	x	785,271	2.00	157.05	738,990	2.00	147.80	9.25
Real Estate - Extension	x	785,271	4.60	361.22	738,990	4.60	339.94	21.28
Real Estate - Soil Conservation	x	785,271	1.54	120.93	738,990	1.50	110.85	10.08
Real Estate - Ledbetter Fire Distri	x	122,137	7.20	87.94	106,345	7.20	76.57	11.37
Real Estate - Grand Lakes Fire	x	260,780	10.00	260.78	243,308	10.00	243.31	17.47
Real Estate - Burna Fire	x	163,690	10.00	163.69	169,502	10.00	169.50	(5.81)
Tangible - County	x	9,182,994	17.90	16,437.56	8,585,029	17.90	15,367.20	1,070.36
Tangible - School	x	9,182,994	37.80	34,711.73	8,585,029	37.60	32,279.70	2,432.03
Tangible - Health	x	9,182,994	2.00	1,836.60	8,585,029	2.00	1,717.01	119.59
Tangible - Extension	x	9,182,994	7.14	6,556.66	8,585,029	7.14	6,129.71	426.95
Tangible - Ledbetter Fire District	x	138,517	6.57	91.01	1,258,427	9.66	1,215.64	(1,124.63)
Tangible - Grand Lakes Fire	x	3,187,725	9.62	3,066.59	2,931,474	10.00	2,931.47	135.12
Tangible - Burna Fire	x	1,939,353	10.00	1,939.35	2,039,948	10.00	2,039.95	(100.60)

Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Property Taxes
 December 31, 2006

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Taxing District

	2006			2005			Increase (Decrease) in Taxes
	Assessment	Tax Rate	Taxes Paid	Assessment	Tax Rate	Taxes Paid	
Marshall County:							
Real Estate - County	698,302	10.30	719.25	658,241	10.30	677.99	41.26
Real Estate - School	698,302	33.60	2,346.29	658,241	33.30	2,191.94	154.35
Real Estate - Health	698,302	8.00	558.64	658,241	8.00	526.59	32.05
Real Estate - Library	698,302	9.00	628.47	658,241	7.40	487.10	141.37
Real Estate - Hospital	698,302	3.80	265.35	658,241	3.80	250.13	15.22
Real Estate - Extension	698,302	1.80	125.69	658,241	1.80	118.48	7.21
Real Estate - Soil Conservation	698,302	0.50	34.92	658,241	0.50	32.91	2.01
Real Estate - Refuse District	573,459	9.80	561.99	543,957	9.80	533.08	28.91
Real Estate - Gilbertsville Fire District	29,926	7.50	22.44	26,069	7.50	19.55	2.89
Real Estate - Possum Trot/Sharpe FD	323,917	6.80	220.26	225,744	6.80	153.51	66.75
Real Estate - B'Burg/Draffenville FD	137,350	10.00	137.35	126,843	10.00	126.84	10.51
Tangible - County	4,833,193	13.40	6,476.48	4,310,981	13.40	5,776.71	699.77
Tangible - School	4,833,193	33.60	16,239.53	4,310,981	33.30	14,355.57	1,883.96
Tangible - Health	4,833,193	8.00	3,866.55	4,310,981	8.00	3,448.78	417.77
Tangible - Library	4,833,193	20.00	9,666.39	4,310,981	18.39	7,927.89	1,738.50
Tangible - Hospital	4,833,193	4.30	2,078.27	4,310,981	4.30	1,853.72	224.55
Tangible - Extension	4,833,193	2.26	1,092.30	4,310,981	1.80	775.98	316.32
Tangible - Refuse District	3,966,012	9.80	3,886.69	3,541,008	9.80	3,470.19	416.50
Tangible - Gilbertsville Fire District	246,411	7.50	184.81	204,456	7.50	153.34	31.47
Tangible - Possum Trot/Sharpe FD	2,013,212	6.80	1,368.98	1,770,504	6.80	1,203.94	165.04
Tangible - B'Burg/Draffenville FD	1,027,721	10.00	1,027.72	895,040	10.00	895.04	132.68
McCracken County:							
Real Estate - County	2,599,495	10.40	2,703.47	2,509,128	10.80	2,709.86	(6.39)
Real Estate - School	1,576,919	43.30	6,828.06	1,472,729	43.30	6,376.92	451.14
Real Estate - Paducah Junior College	1,576,919	2.20	346.92	1,472,729	2.20	324.00	22.92
Real Estate - Health	2,599,495	2.40	623.88	2,509,128	2.40	602.19	21.69
Real Estate - Mental Health	2,599,495	0.90	233.95	2,509,128	0.90	225.82	8.13
Real Estate - Reidland Fire	288,939	7.60	219.59	268,262	7.80	209.24	10.35
Real Estate - Hendron Fire	162,009	6.10	98.83	149,867	6.10	91.42	7.41
Real Estate - West McCracken Fire	205,270	6.10	125.21	191,395	6.40	122.49	2.72
Real Estate - Concord Fire	357,762	6.20	221.81	277,697	6.60	183.28	38.53
Real Estate - Lone Oak Fire	202,501	4.20	85.05	193,691	4.20	81.35	3.70
Real Estate - Melber Fire	20,081	5.60	11.25	21,658	5.90	12.78	(1.53)
Real Estate - County Coop Ext Service	2,599,495	0.60	155.97	2,509,128	0.60	150.55	5.42
Real Estate - Public Library	2,599,495	5.10	1,325.74	2,509,128	5.00	1,254.56	71.18
Tangible - County	17,395,358	11.36	19,761.13	15,834,780	12.08	19,128.41	632.72
Tangible - School	12,141,863	43.30	52,574.27	11,922,831	43.30	51,625.86	948.41
Tangible - Paducah Junior College	12,141,863	2.20	2,671.21	11,922,831	2.20	2,623.02	48.19
Tangible - Health	17,395,358	2.40	4,174.89	15,834,780	2.40	3,800.35	374.54
Tangible - Mental Health	17,395,358	0.90	1,565.58	15,834,780	0.90	1,425.13	140.45
Tangible - Reidland Fire	2,098,945	7.60	1,595.20	2,040,966	8.25	1,683.80	(88.60)
Tangible - Hendron Fire	1,295,417	6.10	790.20	1,264,946	6.10	771.62	18.58
Tangible - West McCracken Fire	1,600,541	6.10	976.33	1,572,547	6.40	1,006.43	(30.10)
Tangible - Concord Fire	2,505,052	6.20	1,553.13	1,961,097	6.60	1,294.32	258.81
Tangible - Lone Oak Fire	1,563,622	6.66	1,041.37	1,576,865	7.33	1,155.84	(114.47)
Tangible - Melber Fire	162,877	5.60	91.21	185,640	5.90	109.53	(18.32)
Tangible - County Coop Ext Service	17,395,358	1.50	2,609.30	15,834,780	1.50	2,375.22	234.08
Tangible - Public Library	17,395,358	6.66	11,585.31	15,834,780	6.69	10,593.47	991.84
Commonwealth of Kentucky			216,486.59			207,439.58	9,047.01
Pitney Bowes (pass thru on postage machine)	2,179		53.60			0.00	53.60

Jackson Purchase Energy Corporation
Case No. 2007-00116
Property Taxes
December 31, 2006

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Taxing District

	2006			2005			Increase (Decrease) in Taxes
	Assessment	Tax Rate	Taxes Paid	Assessment	Tax Rate	Taxes Paid	
City of Wickliffe	19,772	35.57	70.32	18,624	35.57	66.24	4.08
City of LaCenter							
Real Estate	444	48.90	2.17	280	48.90	1.37	0.80
Tangible	6,534	48.90	31.95	4,377	48.90	21.40	10.55
City of Grand Rivers							
Real Estate	25,887	75.00	194.15	18,669	75.00	140.02	54.13
Tangible	321,306	75.00	2,409.80	188,319	75.00	1,412.39	997.41
City of Kevil							
Real Estate	1,036	29.70	3.08	979	29.70	2.91	0.17
Tangible	15,246	29.70	45.28	15,318	29.70	45.49	(0.21)
Early Pay Discount						(0.96)	0.96
City of Paducah							
Real Estate - City	1,022,576	27.50	2,812.08	1,036,399	30.00	3,109.20	(297.12)
Real Estate - School	1,022,576	62.80	6,421.78	1,036,399	63.10	6,539.68	(117.90)
Real Estate - Paducah Junior College	1,022,576	1.90	194.29	1,036,399	2.00	207.28	(12.99)
Tangible - City	5,253,495	39.00	20,488.63	3,911,949	39.00	15,256.60	5,232.03
Tangible - School	5,253,495	63.50	33,359.69	3,911,949	63.10	24,684.40	8,675.29
Tangible - Paducah Junior College	5,253,495	1.90	998.16	3,911,949	2.00	782.39	215.77
City of Smithland							
Real Estate	10,835	3.53	38.25	17,742	3.53	62.62	(24.37)
Tangible	134,741	2.66	358.41	220,976	2.66	587.79	(229.38)
Property Tax on Vehicles			18,400.19			13,313.95	5,086.24
Totals			<u>\$ 604,964</u>			<u>\$ 561,647</u>	<u>\$ 43,317</u>



Case No. 2007-00116

Name of Board Members

December 31, 2006

<u>Name and Address</u>	<u>Board Title</u>	<u>Associated Organizations</u>
Lee Bearden 211 Green Oaks Lane Benton, KY 42025	Vice-Chair	Big Rivers Representative Board Member
Wayne Elliott 6725 New Hope Church Rd. Paducah, KY 42001	Secretary/Treasurer	
Gary L. Joiner 994 US 60 West Smithland, KY 42081	Chair	
Jack S. Marshall 6905 Old Calvert City Rd. Paducah, KY 42003		
Bobby W. Ross 9237 Wickliffe Rd. Wickliffe, KY 42087		
Glenn Spear 3709 Metropolis Lake Rd West Paducah, KY 42086		
John H. Walker 36 Gray Rd. LaCenter, KY 42056		KAEC Representative Board Member

Directors are compensated \$200 for attendance at each regular meeting, special meeting, or committee meeting for the board of directors. In addition, Directors who represent the cooperative at other meetings on official business such as seminars, conferences, or cooperative related activities are compensated at \$200 for attendance on the business session days. Fees are paid for travel to in-state and out-of-state meetings at \$125 per day up to maximum of 2 days travel each way. Directors are reimbursed for all actual expenses incurred for meetings attended on behalf of the cooperative. Directors serving on the Big Rivers Board are not remunerated for their services by the cooperative. Expenses of directors' spouses are not paid for by the cooperative.

**POLICY NO. 900-3
PAGE 1 OF 4**

DIRECTOR'S COMPENSATION POLICY

I. OBJECTIVE

As established in the Bylaws of the Jackson Purchase Electric Cooperative Corporation, a Board of Directors is elected by the membership of the cooperative. The board is charged with the responsibility of conducting the business and affairs of the cooperative towards the major objective of furnishing electrical power and energy to its members at the lowest cost consistent with sound and good management.

In the course of pursuing this objective, it is recognized that individual directors must give of their time and effort to carry out the assigned responsibilities of their office for which they cannot receive any salary but may receive a fixed sum for meeting attendance as set forth in the bylaws of the cooperative. It is recognized that just compensation should be paid to these individuals so that they will be able to perform their duties of office without sustaining a loss of their personal business and affairs. Therefore, this policy has been adopted to partially defray the directors' personal expenses and to partially compensate for their time, effort and ability which is utilized toward the achieving of the major objective as stated above. The board will review this policy at least every two (2) years.

II. POLICY

A. Board and Committee Meeting Fees

Directors shall receive the sum of two hundred dollars (\$200.00) for attendance at each regular meeting, special meeting or committee meeting of the board of directors. In addition, each member will be reimbursed at the federal mileage rate as reported on January 1 of each year for mileage traveled in his/her own personal vehicle to and from such meetings.

POLICY 900-3
PAGE 2 OF 4

B. Other Meeting Fees

Directors who are representing the cooperative at other meetings on official business such as seminars, conferences, teleconferences, luncheons, or cooperative related/sponsored activities shall receive two hundred dollars (\$200.00) for such attendance on the business session days and one hundred twenty-five dollars (\$125.00) each day for the balance of days while on such official business. Directors who represent the cooperative on other boards or committees where the fee paid by the board or committee is less than that approved in this policy will be paid a fee by the cooperative that, combined with the fee paid by the other committee or board, will equal the fees authorized in this policy. Fees for travel to in-state meetings shall be limited to one (1) travel day each way. Travel time to out-of-state meetings shall be limited to a maximum of two (2) days travel each way unless more travel days are allotted by the board on a case-by-case basis.

C. Area Meeting Fees

Meetings other than board meeting held in or around the area served by the cooperative may be deemed to be official meetings and such meetings shall qualify for compensation at same rate as regular and special board meetings. Such meetings include but shall not be limited to the following:

1. District or sectional meetings with the membership; meetings with the membership Advisory Committee; joint meetings with surrounding utilities or other cooperatives; area Chamber of Commerce functions; other meetings to enhance economic development of the cooperative's service area; official meetings with legislators and other governing bodies where it is the intent of the meeting to enhance the cooperative's position in regard to laws, statutes, rules, regulations and franchises; and meetings with associated organizations in or around the area served by the cooperative where such meetings are for the purpose of furthering the attainment of the objectives of the cooperative.
2. Any meetings not included in the above list may be approved on a case-by-case basis by the Audit Committee or Board of Directors.

POLICY NO. 900-3
PAGE 3 OF 4

D. Travel and Other Expenses

All other expenses such as meals, car rental, lodging, and transportation shall be paid as provided for in cooperative Procedure 8-8 unless otherwise provided for in this policy. The cooperative will reimburse an individual for two personal long distance telephone calls per trip.

III. RESPONSIBILITY

The General Manager/Assistant General Manager and each director will submit to the General Manager's office at least every thirty (30) days an itemized expense statement (furnished by the cooperative) covering prior expenses as herein authorized. This expense statement shall be submitted at, or before, the regularly scheduled monthly meeting. The General Manager shall have expense checks prepared for each director and manager and shall mail said checks the following day after the regularly scheduled monthly meeting. These statements shall be reviewed by the board's Audit Committee for correctness every three months.

The General Manager or designee shall make a brief inspection of said expenses and report said expenses to the finance department for payment. These expense reports shall remain in the General Manager's office until the appropriate meeting of the Audit Committee.

The Audit Committee, with the Finance Manager present, shall convene four (4) times a year to approve the expense reports of the directors, General Manager, and Assistant General Manager. In the month of January, the committee shall review the expense reports of October, November and December; in the month of April, review the expense report of January, February and March; in the month of July, review the expense reports of April, May and June; in the month of October, review the expense reports of July, August and September.

The Audit Committee, by a majority vote, shall have the duty to ask any individual covered under this policy for an explanation of a claimed expense if a question arises about an expense. By a majority vote, the committee may disallow an item on an expense account. The cooperative will bill the disallowed expense to the individual for repayment within thirty (30) days of the final decision.

POLICY NO. 900-3
PAGE 4 OF 4

If the individual, after discussion with the Audit committee, disagrees with the decision by the committee, he/she may appeal the committee's decision. This appeal must be made to the President of the Board in writing with a brief description of the disputed claim. The President shall schedule the appeal before the full board during the executive session of the next regularly scheduled meeting of the Board of Directors. The decision of the Board of Directors shall be final and binding.

This policy supersedes all previous and existing Director's Compensation, Fees and Mileage Policies.

IV. APPROVED

6/22/79

V. REVISED

12/28/79

02/22/80

12/28/81

12/23/85

12/23/86

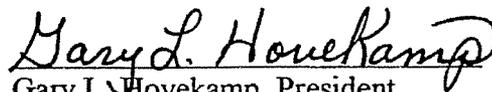
07/23/87

05/26/88

02/23/95

08/22/96

07/22/97


Gary L. Hovekamp, President

Jackson Purchase Energy Corporation
Case No. 2007-00116
Adjustments for Director expenses
December 31, 2006

Certain expenses are generally disallowed for rate making purposes that are incurred for, and on behalf, of the Directors of a cooperative. Jackson Purchase has made this adjustment to recognize those expenses. The list includes:

11	KAEC Annual Meeting, not KAEC representative	
12	Jack Marshall	975
13		
14	Big Rivers Annual Meeting, not Big Rivers representative	
15	Gary Joiner	285
16	Jack Marshall	200
17	Bobby Ross	219
18		
19	Miscellaneous Expenses	
20	Lee Bearden	15
21	Ivus Crouch	15
22	Wayne Elliott	93
23	Gary L. Joiner	15
24	Jack S. Marshall	15
25	Bobby W. Ross	15
26	John H. Walker	57
27		
28		
29	Total adjustment	<u>1,904</u>

Jackson Purchase Energy Corporation
Case No. 2007-00116
Director Fees and Expenses
December 31, 2006

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	<u>Regular Board Mtg</u>	<u>Mileage</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Misc Expense</u>		<u>Total</u>
						<u>Include</u>	<u>Exclude</u>	
Bearden, Lee	2,200	178	2,000	-	56	46	15	4,494
Crouch, Ivus	1,600	247	1,600	-	48	46	15	3,555
Elliott, Wayne	2,000	203	2,000	-	56	46	94	4,398
Joiner, Gary L.	2,000	96	1,800	-	64	46	300	4,306
Marshall, Jack S.	2,400	85	2,000	-	56	46	1,190	5,776
Ross, Bobby W.	2,400	403	2,000	-	56	46	233	5,138
Spear, Glenn	1,800	-	1,600	-	-	46	-	3,446
Walker, John H.	2,400	1,435	3,600	1,227	334	134	58	9,188
General Expenses						17,516	-	17,516
Total	16,800	2,646	16,600	1,227	668	17,970	1,904	57,816

Check Number	Date	Payee	Explanation	Regular Board Mtg	Mileage	Meeting Fees	Hotel	Meals	Misc Expense		Total
									Include	Exclude	
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005								6.81
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005	200.00							7.95
150328	02/03/06	Neil's Catering/Visa	Meeting		8.54						200.00
150328	02/03/06	Neil's Catering/Visa	Meeting		8.54						8.54
150641	03/03/06	Neil's Catering/Visa	Meeting	200.00							200.00
150641	03/03/06	Neil's Catering/Visa	Meeting		8.54						8.54
150917	03/31/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
150917	03/31/06	Neil's Catering/Visa	Board Workshop		17.08						17.08
JE #63	04/10/06	Neil's Catering/Visa	Workshop meal					7.95			7.95
151090	04/14/06	NRECA	Rural Electric Magazine	200.00					45.58		45.58
151353	05/05/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
151353	05/05/06	Neil's Catering/Visa	Board Workshop		17.08						200.00
151674	05/05/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
151674	06/02/06	Neil's Catering/Visa	Board Workshop		8.54						8.54
JE #64	06/08/06	Neil's Catering/Visa	Workshop meal					7.95			7.95
152027	06/30/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
152027	06/30/06	Neil's Catering/Visa	Board Workshop		25.62						25.62
152027	06/30/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
JE #62	07/13/06	Neil's Catering/Visa	Annual Meeting					7.95			7.95
152408	08/04/06	Neil's Catering/Visa	Workshop meal	200.00							200.00
152408	08/04/06	Neil's Catering/Visa	Board Workshop		16.64						16.64
152408	08/04/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
JE #66	08/10/06	Neil's Catering/Visa	Workshop meal					7.95			7.95
152755	09/01/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
152755	09/01/06	Neil's Catering/Visa	Board Workshop		17.08						17.08
JE #65	09/07/06	Neil's Catering/Visa	Workshop meal					7.95			7.95
153348	10/06/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
153348	10/06/06	Neil's Catering/Visa	Board Workshop		16.64						16.64
153348	10/06/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
154390	11/03/06	Neil's Catering/Visa	Board Workshop		8.54						8.54
154390	11/03/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
JE #61	11/09/06	Neil's Catering/Visa	Workshop meal					7.95			7.95
JE #63	12/07/06	Neil's Catering/Visa	Workshop meal					7.95			7.95
154788	12/08/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
154788	12/08/06	Neil's Catering/Visa	Board Workshop		17.08						17.08
154788	12/08/06	Neil's Catering/Visa	Board Workshop	200.00							200.00
154985	12/29/06	Neil's Catering/Visa	Workshop meal								200.00
154985	12/29/06	Neil's Catering/Visa	Workshop meal	200.00							200.00
154985	12/29/06	Neil's Catering/Visa	Workshop meal		17.08						17.08
154985	12/29/06	Neil's Catering/Visa	Workshop meal	2,200.00							2,200.00
					178.46						178.46
								55.65			55.65
									45.58		45.58
										14.76	14.76
											4,494.45

Check Number	Date	Payee	Explanation	Dist Amount	Regular Board Mtg	Mileage	Meeting Fees	Hotel	Meals	Misc Expense Include	Misc Expense Exclude	Total
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005	6.82							6.82	6.82
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005	7.95							7.95	7.95
150335	02/03/06			200.00	200.00							200.00
150335	02/03/06			15.13		15.13						15.13
150647	03/03/06			200.00	200.00							200.00
150647	03/03/06			15.13		15.13						15.13
150923	03/31/06		Board Workshop	400.00	200.00		200.00					200.00
150923	03/31/06			30.26		30.26						30.26
150923	03/31/06			7.95					7.95			7.95
JE #63	04/10/06	Neil's Catering/Visa	Workshop meal	7.95						45.58		45.58
151090	04/14/06	NRECA	Rural Electric Magazine	45.58					7.95			7.95
JE #62	05/11/06	Neil's Catering/Visa	Workshop meal	7.95			200.00					200.00
151678	06/02/06		Board Workshop	400.00	200.00							200.00
151678	06/02/06			30.26		30.26						30.26
151678	06/02/06			7.95					7.95			7.95
JE #62	06/08/06	Neil's Catering/Visa	Workshop meal	7.95								200.00
152032	06/30/06		Board Workshop	400.00			200.00					200.00
152032	06/30/06		Annual Meeting	34.71		34.71						34.71
152032	06/30/06			7.95					7.95			7.95
JE #66	07/13/06	Neil's Catering/Visa	Workshop meal	7.95								200.00
152415	08/04/06		Board Workshop	400.00	200.00							200.00
152415	08/04/06			30.26		30.26						30.26
152415	08/04/06			200.00			200.00					200.00
152761	09/01/06			15.13		15.13						15.13
154395	11/03/06			200.00	200.00							200.00
154395	11/03/06			15.13		15.13						15.13
JE #61	11/03/06	Neil's Catering/Visa	Workshop meal	7.95						7.95		7.95
JE #63	12/07/06	Neil's Catering/Visa	Workshop meal	7.95						7.95		7.95
154793	12/08/06		Board Workshop	200.00			200.00					200.00
154793	12/08/06			15.13		15.13						15.13
154990	12/29/06		Board Workshop	200.00			200.00					200.00
154990	12/29/06			15.13		15.13						15.13
151360	05/05/06		Board Workshop	400.00	200.00							200.00
151360	05/05/06			30.26		30.26						200.00
151360	05/05/06			3,554.58	1,600.00	246.53	1,600.00		47.70	45.58	14.77	3,554.58

Jackson Purchase Energy Corporation
Case No. 2007-00116
Wayne Elliott
December 31, 2006

Check Number	Date	Payee	Explanation	Regular Board Mtg	Mileage	Meeting Fees	Hotel	Meals	Misc Expense Include	Misc Expense Exclude	Total
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005							6.81	6.81
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005	200.00						7.95	7.95
150329	02/03/06				10.68						200.00
150329	02/03/06	KAEC	Breakfast & Lunch Banquet							78.75	10.68
150398	02/10/06			200.00	10.68						200.00
150642	03/03/06										10.68
150642	03/03/06	Neil's Catering/Visa	Workshop meal					7.95			7.95
JE #63	03/07/06			200.00							200.00
150918	03/31/06		Board Workshop		21.36	200.00					200.00
150918	03/31/06										21.36
150918	03/31/06										21.36
151090	04/14/06	NRECA	Rural Electric Magazine	200.00					45.58		200.00
151354	05/05/06		Board Workshop		21.36	200.00					200.00
151354	05/05/06										21.36
151354	05/05/06										21.36
151675	06/02/06				10.68						10.68
151675	06/02/06							7.95			7.95
JE #64	06/08/06	Neil's Catering/Visa	Workshop meal								200.00
152028	06/30/06		Board Workshop	200.00							200.00
152028	06/30/06										200.00
152028	06/30/06		Annual Meeting								200.00
152028	06/30/06				21.36						21.36
JE #62	07/13/06	Neil's Catering/Visa	Workshop meal								200.00
152409	08/04/06				10.68						10.68
152409	08/04/06							7.95			7.95
JE #66	08/10/06	Neil's Catering/Visa	Workshop meal	200.00							200.00
152756	09/01/06		Board Workshop								200.00
152756	09/01/06										200.00
JE #65	09/07/06	Neil's Catering/Visa	Workshop meal								200.00
153349	10/06/06		Board Workshop	200.00							200.00
153349	10/06/06										200.00
153349	10/06/06				21.36						21.36
154391	11/03/06			200.00							200.00
154391	11/03/06										21.36
JE #61	11/09/06	Neil's Catering/Visa	Workshop meal								200.00
JE #63	12/07/06	Neil's Catering/Visa	Workshop meal	200.00							200.00
154789	12/08/06		Board Workshop								200.00
154789	12/08/06				21.36						21.36
154789	12/08/06										21.36

200.00
 200.00
 21.36

4,397.66

93.51

45.58

55.65

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200.00

21.36

2,000.00

202.92

200.00

2,000.00

Board Workshop

50 12/29/06 154986
 51 12/29/06 154986
 52 12/29/06 154986

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Jackson Purchase Energy Corporation
Case No. 2007-00116
Gary L. Joiner
December 31, 2006

Exhibit G
Schedule 14
Page 12 of 19

Check Number	Date	Payee	Explanation	Regular Board Mtg	Mileage	Meeting Fees	Hotel	Meals	Misc Expense Include	Misc Expense Exclude	Total
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005							6.81	6.81
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005							7.95	7.95
150331	02/03/06			200.00							200.00
JE #63	03/07/06	Neil's Catering/Visa	Workshop meal			200.00		7.95			7.95
150920	03/31/06		Board Workshop	200.00							200.00
150920	03/31/06			200.00							200.00
JE #62	04/10/06	Neil's Catering/Visa	Workshop meal							7.95	7.95
151090	04/14/06	NRECA	Rural Electric Magazine			200.00			45.58		45.58
151356	05/05/06		Board Workshop								200.00
151356	05/05/06			200.00							200.00
JE #64	05/11/06	Neil's Catering/Visa	Workshop meal			200.00		7.95			7.95
151676	06/02/06		Board Workshop								200.00
151676	06/02/06			200.00							200.00
JE #62	06/08/06	Neil's Catering/Visa	Workshop meal							7.95	7.95
152029	06/30/06		Board Workshop			200.00					200.00
152029	06/30/06		Annual Meeting			200.00					200.00
152410	08/04/06			200.00							200.00
JE #66	08/10/06	Neil's Catering/Visa	Workshop meal			200.00		7.95			7.95
152757	09/01/06		Board Workshop								200.00
152757	09/01/06			200.00							200.00
152757	09/01/06				21.36						21.36
JE #65	09/07/06	Neil's Catering/Visa	Workshop meal							7.95	7.95
153351	10/06/06		Board Workshop			200.00					200.00
153351	10/06/06		Big Rivers Annual Meeting						200.00		200.00
153351	10/06/06		Mileage to BREC Meeting						85.44		85.44
153351	10/06/06			200.00							200.00
153351	10/06/06				21.36						21.36
154392	11/03/06			200.00							200.00
154392	11/03/06				10.68						10.68
JE #61	11/09/06	Neil's Catering/Visa	Workshop meal							7.95	7.95
JE #63	12/07/06	Neil's Catering/Visa	Workshop meal							7.95	7.95
154790	12/08/06		Board Workshop	200.00							200.00
154790	12/08/06				21.36						21.36
154790	12/08/06			200.00							200.00
154987	12/29/06		Board Workshop			200.00					200.00
154987	12/29/06			200.00							200.00
154987	12/29/06				21.36						21.36
154987	12/29/06			2,000.00	96.12	1,800.00	-	63.60	45.58	300.20	4,305.50

Jackson Purchase Energy Corporation
Case No. 2007-00116
Jack S. Marshall
December 31, 2006

Exhibit G
Schedule 14
Page 13 of 19

Date	Check Number	Payee	Explanation	Regular Board Mtg	Mileage	Meeting Fees	Hotel	Meals	Misc Expense		Total
									Include	Exclude	
01/31/06	JE #66	Neil's Catering/Visa	Workshop meal from 2005							6.81	6.81
01/31/06	JE #66	Neil's Catering/Visa	Workshop meal from 2005	200.00						7.95	7.95
02/03/06	150332				4.45						200.00
02/03/06	150332			200.00							200.00
03/03/06	150644				4.45						200.00
03/03/06	150644		Board Workshop			200.00					200.00
03/31/06	150921			200.00							200.00
03/31/06	150921				4.45						200.00
03/31/06	150921										200.00
04/10/06	JE #63	Neil's Catering/Visa	Workshop meal					7.95			7.95
04/14/06	151090	NRECA	Rural Electric Magazine						45.58		45.58
05/05/06	151357		Board Workshop	200.00		200.00					200.00
05/05/06	151357				8.90						8.90
05/05/06	151357			200.00							200.00
05/11/06	JE #62	Neil's Catering/Visa	Workshop meal					7.95			7.95
06/02/06	151677		Board Workshop	200.00		200.00					200.00
06/02/06	151677				8.90						8.90
06/02/06	151677			200.00							200.00
06/08/06	JE #62	Neil's Catering/Visa	Workshop meal					7.95			7.95
06/30/06	152030		Board Workshop	200.00		200.00					200.00
06/30/06	152030										200.00
06/30/06	152030		Board Workshop	200.00		200.00					200.00
06/30/06	152030		Annual Meeting		13.35						13.35
06/30/06	152030		Workshop meal								7.95
07/13/06	JE #66	Neil's Catering/Visa	Board Workshop	200.00		200.00					200.00
08/04/06	152411										200.00
08/04/06	152411			200.00							200.00
08/04/06	152411		KAEAC Annual Meeting		8.90					287.54	287.54
08/10/06	JE #65	Visa	Board Workshop	200.00							200.00
09/01/06	152758										200.00
09/01/06	152758			200.00		200.00					200.00
09/01/06	152758				4.45						4.45
09/01/06	152758							7.95			7.95
09/22/06	JE #65	Neil's Catering/Visa	Workshop meal								200.00
10/06/06	153352		Board Workshop								200.00
10/06/06	153352		Big Rivers Annual Meeting								200.00
10/06/06	153352		KAEAC Annual Meeting								400.00
10/06/06	153352			200.00							200.00
10/06/06	153352		KAEAC Annual Meeting Travel Expenses								198.23

Jackson Purchase Energy Corporation
Case No. 2007-00116
Bobby W. Ross
December 31, 2006

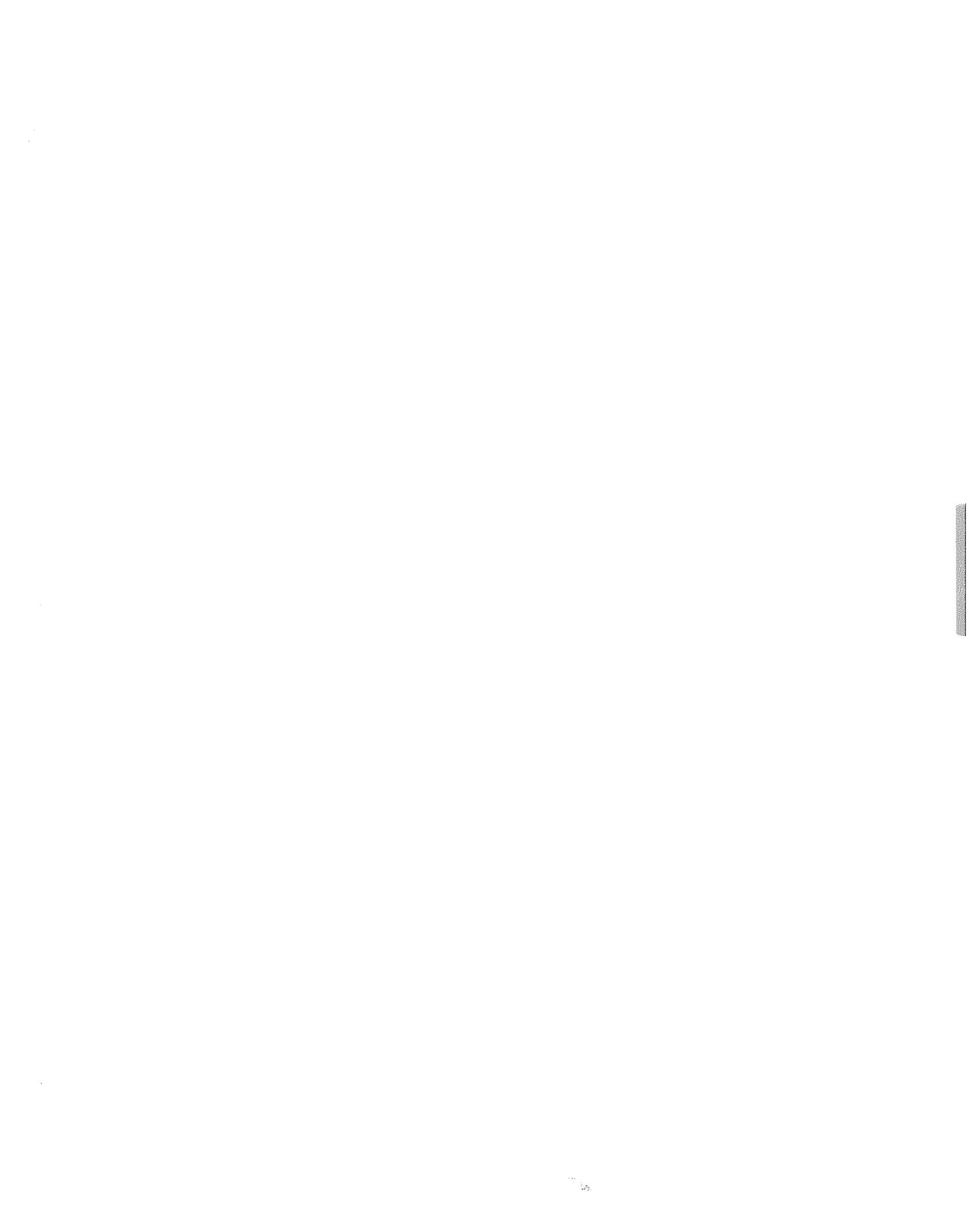
Check Number	Date	Payee	Explanation	Regular Board Mtg	Mileage	Meeting Fees	Hotel	Meals	Misc Expense Include	Misc Expense Exclude	Total
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005							6.82	6.82
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005	200.00						7.95	7.95
150326	02/03/06				18.69						18.69
150326	02/03/06			200.00							200.00
150639	03/03/06			200.00	18.69						18.69
150639	03/03/06		Board Workshop			200.00					200.00
150914	03/31/06			200.00	37.38						37.38
150914	03/31/06							7.95			7.95
JE #63	04/10/06	Neil's Catering/Visa	Workshop meal						45.58		45.58
151090	04/14/06	NRECA	Rural Electric Magazine			200.00					200.00
151349	05/05/06		Board Workshop	200.00							200.00
151349	05/05/06				29.37						29.37
151349	05/05/06		Workshop meal					7.95			7.95
JE #62	05/11/06	Neil's Catering/Visa	Board Workshop	200.00		200.00					200.00
151671	06/02/06				37.38						37.38
151671	06/02/06		Board Workshop	200.00							200.00
151671	06/02/06										200.00
152026	06/30/06		Board Workshop	200.00							200.00
152026	06/30/06		Annual Meeting		56.07						56.07
152026	06/30/06		Workshop meal					7.95			7.95
JE #62	07/13/06	Neil's Catering/Visa	Board Workshop	200.00		200.00					200.00
152403	08/04/06				37.38						37.38
152403	08/04/06		Workshop meal					7.95			7.95
152403	08/04/06		Board Workshop	200.00							200.00
JE #66	08/10/06	Neil's Catering/Visa	Workshop meal								200.00
152751	09/01/06		Board Workshop	200.00							200.00
152751	09/01/06				37.38						37.38
152751	09/01/06		Workshop meal					7.95			7.95
JE #65	09/07/06	Neil's Catering/Visa	Board Workshop								200.00
153343	10/06/06		Big Rivers Annual Meeting	200.00						200.00	200.00
153343	10/06/06										200.00
153343	10/06/06		BREC Annual Mtg - Mileage		37.38					18.69	18.69
153343	10/06/06			200.00							200.00
154387	11/03/06		Workshop meal		18.69						18.69
154387	11/03/06		Board Workshop	200.00							200.00
JE #61	11/09/06	Neil's Catering/Visa	Workshop meal					7.95			7.95
154783	12/08/06		Board Workshop			200.00					200.00

Jackson Purchase Energy Corporation
Case No. 2007-00116
Glenn Spear
December 31, 2006

Date	Check Number	Payee	Explanation	Regular Board Mtg	Mileage	Meeting Fees	Hotel	Meals	Misc Expense		Total
									Include	Exclude	
02/03/06	150333			200.00							200.00
03/03/06	150645			200.00							200.00
04/14/06	151090	NRECA	Rural Electric Magazine			200.00				45.58	200.00
05/05/06	151358					200.00					200.00
06/15/06	151767		Board Workshop			200.00					200.00
06/15/06	151767		Board Workshop			200.00					200.00
06/30/06	152031			200.00							200.00
06/30/06	152031		Annual Meeting			200.00					200.00
06/30/06	152031					200.00					200.00
08/04/06	152412					200.00					200.00
09/01/06	152759		Board Workshop			200.00					200.00
09/01/06	152759		Board Workshop			200.00					200.00
10/06/06	153353			200.00							200.00
10/06/06	153353			200.00							200.00
11/03/06	154394			200.00							200.00
12/08/06	154792					200.00					200.00
12/29/06	154989		Board Workshop			200.00					200.00
12/29/06	154989			200.00							200.00
				1,800.00		1,600.00			45.58		3,445.58

John H. Walker
December 31, 2006

Check Number	Date	Payee	Explanation	Regular Board Mtg	Mileage	Meeting Fees	Hotel	Meals	Misc Expense Include	Misc Expense Exclude	Total
JE #57	01/25/06	Visa	KAEC Board Meeting				97.86				97.86
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005						6.82		6.82
JE #66	01/31/06	Neil's Catering/Visa	Workshop meal from 2005						7.95		7.95
JE #57	02/01/06	Visa	KAEC Special Meeting	200.00					27.43		27.43
150346	02/03/06				21.36						21.36
150346	02/03/06							78.75			78.75
150398	02/10/06	KAEC	Breakfast, Lunch, & Banquet								
150398	02/10/06	KAEC	Spouse Meal - Director disputes billing						14.75		14.75
150662	03/03/06			200.00	219.84	125.00		44.30			200.00
150662	03/03/06		KAEC Board Meeting - travel fee		21.36						389.14
150662	03/03/06						109.26				21.36
JE #63	03/21/06	Visa	KAEC Board Meeting			200.00					109.26
150936	03/31/06		Board Workshop			125.00					200.00
150936	03/31/06		KAEC Board Meeting	200.00							125.00
150936	03/31/06				64.08						200.00
150936	03/31/06		KAEC Board Meeting				76.80			7.00	76.80
JE #65	03/31/06	Visa	Breakfast - John Walker					7.95			7.95
151005	04/07/06	Chamber of Ballard County	Workshop meal						45.58		45.58
JE #63	04/10/06	Neil's Catering/Visa	Rural Electric Magazine			125.00					125.00
151090	04/14/06	NRECA	KAEC Board Meeting - travel fee			200.00					200.00
151371	05/05/06		Board Workshop	200.00							200.00
151371	05/05/06				64.08			7.95			64.08
151371	05/05/06		Workshop meal								7.95
JE #62	05/11/06	Neil's Catering/Visa	Chamber Breakfast						7.00		7.00
151603	05/26/06	Chamber of Ballard County				200.00					200.00
151687	06/02/06			200.00							200.00
151687	06/02/06				42.72						42.72
151687	06/02/06		Chamber Breakfast						7.00		7.00
151830	06/16/06	Chamber of Ballard County	KAEC Board Meeting - travel fee			125.00					125.00
152042	06/30/06		Board Workshop			200.00					200.00
152042	06/30/06			200.00							200.00
152042	06/30/06		Annual Meeting								85.44
152042	06/30/06				85.44						85.44
152042	06/30/06		Chamber Breakfast						7.00		7.00
152002	06/30/06	Chamber of Ballard County	KAEC Board Meeting						24.50		24.50
JE #64	06/30/06	Visa	KAEC Board Meeting				109.26				109.26
JE #64	06/30/06	Visa	Workshop meal					7.95			7.95
JE #62	07/13/06	Neil's Catering/Visa	KAEC Board Meeting								109.26
JE #62	07/31/06	Visa	KAEC Board Meeting				109.26				109.26
JE #75	07/31/06	Visa	KAEC Board Meeting					19.25			19.25



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The amount of the proposed increase is \$3,554,064.

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Jackson Purchase Energy Corporation
Case No. 2007-00116
Capitalization Policies
December 31, 2006

Jackson Purchase Energy Corporation accumulates all labor costs and then allocates based on labor distribution for month. Labor costs are classified to construction, costs of removal, electric operating functions according to RUS Bulletin 1767B-1, Uniform System of Accounts - Electric.

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Jackson Purchase Energy Corporation
Case No. 2007-00116
Capitalization Policies
December 31, 2006

		Benefits Distribution
107.100	Construction WIP - Contractors	11,089
107.200	CWIP - Jackson Purchase Crews	653,088
108.664	Accum Depr - Poles, Towers, & Fixture	4,769
108.800	Retire. WIP - JPECC Crews	129,603
108.810	Retire. WIP - Contractors	222
143.320	A/R - Winter Storm Assistance	6,888
163.000	Stores Expense-Undistributed	119,854
184.100	Transportation Expense/Clearing	76,552
417.110	Customer Service Costs - Long Distance	28
580.000	Operation Supervision & Engineering	61,056
582.000	Station Expenses	4,966
583.000	Overhead Line Expenses	31,280
583.100	O/H Line Exp. - PCB Test & Inspection	82
583.200	Overhead Line Expense - Line Patrol	3,233
583.300	O/H Line Exp. - Oil SP Cleanup/100 Reg.	147
584.000	Underground Line Expenses	15,001
586.000	Meter Expenses	33,741
586.100	Meter Exp. - Routine Conn. & Disconn.	79,540
586.200	Meter Records - Prep. & Maint.	440
587.000	Customer Installation Expenses	987
588.000	Misc. Dist. Expenses - Labor & O/H	94,229
588.100	Misc. Dist. Exp - Office Supplies/Exp	614
588.200	Other Miscellaneous Distribution Expense	53,437
588.300	Mis. Distribution - Mapping Costs	23,880
590.000	Maintenance Supervision & Engineering	27,372
592.000	Maintenance of Station Equipment	32,679
593.000	Maintenance of Overhead Lines	251,702
593.100	Maint. Of Overhead lines - Storms	9,614
594.000	Maintenance of Underground Lines	30,509
596.000	Maintenance of Steel Lights	6,727
598.000	Maint of MSC Dist. Plant - Telephone Lines	44,363
901.000	Supervision of Customer Accounts	4,615
902.000	Meter Reading Expenses	20,465
902.100	Meter Reading Expenses - System	5,779
903.000	Customer Records & Collection Expense	86,777
903.200	Cust Rcds & Collection - Complaints, Adj.	33,247
903.300	Cust Rcds & Collection - Connects & Dis	38,021
903.400	Cust Rcds & Collection - Delinquent Accts	20,830
903.410	Delinquent Accts Over 30 Days	20
903.500	Cust. Records - Document Scanning	12,426
907.000	Customer Service - Supervision	25,128
908.000	Customer Assistance Expenses	29
910.000	Misc. Customer Svc & Information Exp.	37,828
920.000	Administrative & General Salaries	239,452
920.010	Admin. & General - Joint Use Salaries	1,469
920.100	Admin. & General Salaries - Manager	58,063
925.000	Injuries and Damages	15,775
926.200	Other Employee Pensions & Benefit	17,485
930.220	Annual Meeting Expenses	2,709
930.230	News letter Expense	5,685
935.000	Maintenance of G/P Expense	22,920
935.500	Maint of G/P - Miscellaneous	511
	Total	2,456,928

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Jackson Purchase Energy Corporation
Case No. 2007-00116
Capitalization Policies
December 31, 2006

Benefits include the following:

Medical insurance	746,481
Life insurance	25,468
Disability Insurance	17,703
Retirement	543,867
Pension - bargaining	158,718
401k contributions - bargaining	580
401k contributions - non bargaining	83,785
Employee sick leave (paid out)	74,454
Employee vacation leave (paid out)	21,110
Post-retirement benefits	186,100
Workers' compensation	253,506
Payroll Taxes	345,156
	<hr/>
	2,456,928
	<hr/> <hr/>

Jackson Purchase accumulates all benefits, then allocates these to accounts based on the labor distribution for the month. The above is the actual allocation for the test year for the above benefits.

Jackson Purchase Energy Corporation
Case No. 2007-00116
Schedule of Employee Benefits
December 31, 2006

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Benefits for the year:

Medical insurance	746,481
Life insurance	25,468
Disability insurance	17,703
Retirement	543,867
Bargaining pension	158,718
401K contributions - bargaining	580
401K contributions - non-bargaining	83,785
Employee sick leave (paid out)	74,454
Employee vacation leave (paid out)	21,110
Post-retirement benefits	186,100
Total	1,858,266
Number of employees	79
Average annual cost per employee	23,522



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6 **Jackson Purchase Energy Corporation**
7 **Case No. 2007-00116**
8 **December 31, 2006**
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11 **Professional Services Expenses**
12

13 The Board of Directors has the responsibility to select an attorney to represent
14 the board and the cooperative to maintain the legal entity. The duties and
15 responsibilities of the attorney are to perform routine services, special
16 services and other services for the cooperative. Services are billed at the normal
17 hourly billing rates for the attorney and his staff.

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19 A copy of the audit agreement is attached.
20
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22

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE
LEXINGTON, KENTUCKY 40509
(859) 264-7147

MEMBER:
AMERICAN INSTITUTE OF CPA'S
INDIANA SOCIETY OF CPA'S
KENTUCKY SOCIETY OF CPA'S
AICPA DIVISION FOR FIRMS

January 29, 2007

G. Kelly Nuckols, President & CEO
Jackson Purchase Energy Corporation
Paducah, Kentucky 42002

Dear Mr. Nuckols:

This will confirm our understanding of the arrangements for my audit of the financial statements for the year ended December 31, 2006.

I will audit the Corporation's balance sheet as of December 31, 2006, and the related statements of revenue and patronage capital and cash flows for the year then ended, for the purpose of expressing an opinion on them. The financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on the financial statements based on my audit.

I will conduct my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit will provide a reasonable basis for my opinion.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, legal counsel and banks. At the conclusion of my audit, I will request certain written representations from you about the financial statements and matters related thereto.

In accordance with the requirements of the Rural Utilities Service (RUS), I assure you of the following:

- The audit is being performed as a requirement of RUS security instrument and any violation of RUS audit requirements shall place the RUS borrower in technical default of the RUS security instrument.

000355

G. Kelly Nuckols, President & CEO
Jackson Purchase Energy Corporation
Page two

- The Auditor's Report will be signed by Alan M. Zumstein, CPA, a certified public accountant in good professional standing with the state licensing board.
- I will comply with generally accepted government auditing standards, the rules and regulations of professional conduct promulgated by the accountancy board of the state of Kentucky and the Code of Professional Ethics of the American Institute of CPAs.
- I am independent as defined and interpreted by the Professional Ethics Division of the AICPA and as defined by 7 CFR 1773.4 (b).
- I belong to an approved peer review program (Private Companies Practice Section) and have received an unqualified opinion within three years of the "as of" date of the audit.
- The audit will be performed and the Auditor's Report, report on compliance, report on internal controls and management letter will be performed in accordance with requirements of RUS, will comply with generally accepted auditing standards and will be submitted to the Board of Directors within three months of the "as of" audit date.
- Audit work papers will be made available to RUS, Office of Inspector General (OIG) and the General Accounting Office (GAO). RUS, OIG or GAO may photocopy all audit and compliance workpapers as requested.
- I will disclose all disallowance's resulting from testing performed as set forth in 7 CFR 1773.40 and will follow the requirements of reporting irregularities and illegal acts outlined in 7 CFR 1773.7.
- I will report audit findings to the Board of Directors as required by 7 CFR 1773.25.

My audit is subject to the inherent risk that material errors and irregularities, including fraud or defalcations, if they exist, will not be detected. However, I will inform you of irregularities that come to my attention.

000358

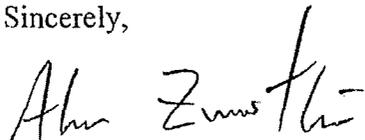
G. Kelly Nuckols, President & CEO
Jackson Purchase Energy Corporation
Page three

Fees for these services will be \$14,000, and includes fees for presentation to the Board of Directors. Invoices will be submitted as work progresses, and are payable on presentation. Should any situation arise that would materially increase this fee, I will, of course, notify you.

I am pleased to have this opportunity to serve you.

If this letter correctly expresses your understanding of these arrangements, please indicate your approval by signing the enclosed copy and returning to me. I have also included a Certification of Debarment and Suspension and a copy of my last peer review report and accompanying letter of comment, as required for audits of RUS borrowers.

Sincerely,



Alan M. Zumstein, CPA

Approved:

By:



Date:

February 9, 2007

000357

Jackson Purchase Energy Corporation
Case No. 2007-00116
Professional Services Expenses
December 31, 2006

Line No.	Item (a)	Rate Case (b)	Annual Audit (c)	Other (d)	Total (e)
1	Legal			22,124.00	22,124.00
2	Engineering	-	-	-	-
3	Accounting		13,040.00	368.00	13,408.00
4	Other			46.00	46.00
5	Total	-	13,040.00	22,538.00	35,578.00

Jackson Purchase Energy Corporation
Case No. 2007-00116
Professional Services Expenses
December 31, 2006

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Hours & Bill Rate</u>	<u>Description</u>
9	Legal					
10	08/25/06	152716	Booth & Associates, Inc.	6,629.99		Case No. 36 - Expert Testimony BRTC vs. JPEC
11						Annual letter to auditor
12	03/03/06	150630	Denton & Keuler	120.00		Employee matters
13	03/03/06	150630	Denton & Keuler	450.00		Attend board meeting
14	03/03/06	150630	Denton & Keuler	210.00		Pole attachment issues
15	03/03/06	150630	Denton & Keuler	30.00		January expenses
16	03/03/06	150630	Denton & Keuler	5.65		Employee matters
17	03/31/07	150912	Denton & Keuler	330.00		Pole attachment issues
18	03/31/07	150912	Denton & Keuler	930.00		Attend board meeting & read minutes
19	03/31/07	150912	Denton & Keuler	210.00		Collection matters
20	03/31/07	150912	Denton & Keuler	90.00		Pole attachment issues
21	05/26/06	151588	Denton & Keuler	1,110.00		Annual meeting, bylaws and ballot issues
22	05/26/06	151588	Denton & Keuler	1,110.00		Attend board meeting
23	05/26/06	151588	Denton & Keuler	150.00		April expenses
24	05/26/06	151588	Denton & Keuler	2.08		Pole attachment issues
25	05/26/06	151588	Denton & Keuler	630.00		Personnel & personnel policy issues
26	05/26/06	151588	Denton & Keuler	1,020.00		Territory issues
27	05/26/06	151588	Denton & Keuler	120.00		Attend board meeting, review documents
28	05/26/06	151588	Denton & Keuler	390.00		March expenses
29	05/26/06	151588	Denton & Keuler	14.60		Customer easement issue
30	06/30/06	151990	Denton & Keuler	780.00		Employee matters
31	06/30/06	151990	Denton & Keuler	330.00		Pole attachment issues
32	06/30/06	151990	Denton & Keuler	390.00		Annual meeting, bylaws and ballot issues
33	06/30/06	151990	Denton & Keuler	300.00		Attend board meeting, review documents
34	06/30/06	151990	Denton & Keuler	420.00		Annual meeting, bylaws and ballot issues
35	07/28/06	152340	Denton & Keuler	1,320.00		Loan filing
36	07/28/06	152340	Denton & Keuler	60.00		Pole attachment issues
37	07/28/06	152340	Denton & Keuler	2,700.00		Attend board meeting & annual meeting
38	07/28/06	152340	Denton & Keuler	510.00		Trademark research
39	07/28/06	152340	Denton & Keuler	450.00		Review of leases
40	07/28/06	152340	Denton & Keuler	120.00		June expenses
41	07/28/06	152340	Denton & Keuler	118.86		Trademark research
42	08/25/06	152684	Denton & Keuler	30.00		Pole attachment issues
43	08/25/06	152684	Denton & Keuler	13,110.00		

44	08/25/06	152684	Denton & Keuler	150.00	Attend board meeting, review documents
45	08/25/06	152684	Denton & Keuler	54.66	July expenses
46	09/29/06	153079	Denton & Keuler	3,450.00	Pole attachment issues
47	09/29/06	153079	Denton & Keuler	360.00	Trademark research
48	09/29/06	153079	Denton & Keuler	510.00	Research on bidding requirements
49	09/29/06	153079	Denton & Keuler	400.00	Attend KAEC Training & travel
50	09/29/06	153079	Denton & Keuler	180.00	Attend board meeting, review documents
51	09/29/06	153079	Denton & Keuler	347.56	August expenses
52	10/20/06	153951	Denton & Keuler	450.00	Pole attachment issues
53	10/20/06	153951	Denton & Keuler	150.00	Trademark research
54	10/20/06	153951	Denton & Keuler	90.00	Review of leases
55	10/20/06	153951	Denton & Keuler	240.00	Employee matters
56	10/20/06	153951	Denton & Keuler	799.10	September expenses
57	11/24/07	154619	Denton & Keuler	150.00	Trademark research
58	11/24/07	154619	Denton & Keuler	30.00	Conflict of interest research
59	11/24/07	154619	Denton & Keuler	270.00	Review of leases
60	11/24/07	154619	Denton & Keuler	330.00	Pole attachment issues
61	12/22/06	154934	Denton & Keuler	420.00	Pole attachment issues
62	12/22/06	154934	Denton & Keuler	150.00	Research on Certificate of Existence
63	12/22/06	154934	Denton & Keuler	90.00	Collection issues
64	12/22/06	154934	Denton & Keuler	270.00	Review of leases
65	12/22/06	154934	Denton & Keuler	210.00	Attend board meeting, review documents
66	12/22/06	154934	Denton & Keuler	30.00	Employee matters
67	12/22/06	154934	Denton & Keuler	1.00	November expenses
68	01/19/07	155226	Denton & Keuler	90.00	Review of leases
69	01/19/07	155226	Denton & Keuler	150.00	Employee matters
70	01/19/07	155226	Denton & Keuler	30.00	Reliability investigation work
71	01/19/07	155226	Denton & Keuler	30.00	Collection issues
72	01/19/07	155226	Denton & Keuler	30.00	Trademark research
73	01/19/07	155226	Denton & Keuler	120.00	Attend board meeting
74	01/06/06	149997	NRECA	3.87	24 Hour Accident
75	02/10/06	150390	NRECA	3.87	24 Hour Accident
76	03/10/06	150711	NRECA	3.87	24 Hour Accident
77	04/07/06	150984	NRECA	3.87	24 Hour Accident
78	05/05/06	151341	NRECA	3.87	24 Hour Accident
79	06/09/06	151728	NRECA	3.87	24 Hour Accident
80	07/07/06	152092	NRECA	3.87	24 Hour Accident
81	08/11/06	152496	NRECA	3.87	24 Hour Accident
82	09/08/06	152846	NRECA	3.87	24 Hour Accident
83	10/06/06	153337	NRECA	3.87	24 Hour Accident
84	11/10/06	154470	NRECA	3.87	24 Hour Accident
85	12/08/06	154777	NRECA	3.87	24 Hour Accident

87 **Accounting and Financial**

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12/31/06	Accrued Auditing Expense	13,040.00
01/20/06	150190 Kemper CPA Group	368.00
	Grand Total	<u><u>57,227.94</u></u>

Annual Audit Fee - Allan Zumstein
 Services applicable to tax & related consulting



Acct. No.	Description	January	February	March	April	May	June
360000	Dist. Plt. - Land and Lan	223,945	223,945	223,948	224,734	225,734	225,734
	Prior year	223,931	223,931	223,931	223,945	223,945	223,945
	Change	14	14	17	789	1,789	1,789
362000	Dist. Plt. - Station Equip	10,328,549	10,328,602	10,328,602	10,332,208	10,332,737	10,332,737
	Prior year	10,220,476	10,220,476	10,222,599	10,222,599	10,222,599	10,266,925
	Change	108,073	108,126	106,003	109,609	110,138	65,812
364000	Dist. Plt. - Poles, Towers	27,246,903	27,301,192	27,347,160	27,396,637	27,467,340	27,524,843
	Prior year	26,252,944	26,316,796	26,368,636	26,432,730	26,498,517	26,551,278
	Change	993,959	984,396	978,524	963,906	968,824	973,565
365000	Dist. Plt. - O/H Conduct.	16,388,784	16,407,149	16,423,582	16,443,371	16,466,369	16,486,726
	Prior year	15,985,948	16,005,680	16,021,663	16,043,107	16,067,217	16,113,444
	Change	402,836	401,470	401,919	400,264	399,152	373,282
366000	Dist. Plt. - Underground	3,829,076	3,839,289	3,858,417	3,869,984	3,882,487	3,901,823
	Prior year	3,666,185	3,679,162	3,688,345	3,690,272	3,698,092	3,701,965
	Change	162,891	160,127	170,072	179,713	184,395	199,858
367000	Dist. Plt. - U/G Conduit.	8,814,967	8,847,449	8,880,504	8,895,606	8,911,244	8,945,004
	Prior year	8,428,934	8,445,422	8,417,243	8,424,901	8,408,088	8,420,065
	Change	386,032	402,026	463,260	470,706	503,156	524,939
368000	Dist. Plt. - Line Transfor	14,943,876	15,075,460	15,025,072	15,065,413	15,114,590	15,157,544
	Prior year	14,318,167	14,320,883	14,299,485	14,323,118	14,392,098	14,502,064
	Change	625,708	754,577	725,587	742,295	722,492	655,479
369000	Dist. Plt. - Services	5,991,901	6,033,692	6,081,277	6,140,167	6,177,914	6,216,281
	Prior year	5,495,964	5,528,928	5,555,160	5,584,935	5,618,347	5,657,380
	Change	495,936	504,764	526,117	555,232	559,567	558,901
370000	Dist. Plt. - Meters	2,832,738	2,839,821	2,850,524	2,863,104	2,863,895	2,884,928
	Prior year	2,731,487	2,731,487	2,742,312	2,753,696	2,760,929	2,789,549
	Change	101,251	108,334	108,212	109,408	102,966	95,380
371000	Dist. Plt. - Instal. on Cust	1,434,735	1,437,351	1,440,348	1,444,941	1,448,371	1,450,490
	Prior year	1,312,694	1,402,733	1,404,330	1,407,092	1,408,751	1,409,879
	Change	122,041	34,618	36,018	37,849	39,621	40,610

Jackson Purcha...-energy Corporation
Case No. 2007-00116
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2006

Acct. No.	Description	July	August	September	October	November	December
360000	Dist. Plt. - Land and Lan	225,734	225,734	225,734	225,734	225,734	235,871
	Prior year	223,945	223,945	223,945	223,945	223,945	223,945
	Change	1,789	1,789	1,789	1,789	1,789	11,926
362000	Dist. Plt. - Station Equip	10,331,446	10,331,446	10,349,448	10,349,448	10,337,039	12,008,367
	Prior year	10,269,148	10,287,045	10,291,768	10,291,657	10,293,650	10,328,072
	Change	62,298	44,401	57,680	57,792	43,389	1,680,295
364000	Dist. Plt.- Poles, Towers	27,607,621	27,693,101	27,753,290	27,830,907	27,989,680	28,486,552
	Prior year	26,640,763	26,747,824	26,819,142	26,870,341	26,963,139	27,199,878
	Change	966,858	945,277	934,148	960,566	1,026,541	1,286,674
365000	Dist. Plt. - O/H Conduct.	16,509,780	16,552,150	16,573,756	16,595,962	16,661,533	17,054,966
	Prior year	16,154,283	16,193,240	16,217,617	16,234,631	16,293,455	16,377,025
	Change	355,496	358,910	356,139	361,331	368,077	677,942
366000	Dist. Plt. - Underground	3,928,815	3,950,928	3,953,896	3,966,920	4,049,248	4,106,735
	Prior year	3,715,927	3,718,914	3,745,563	3,753,667	3,761,593	3,813,594
	Change	212,888	232,014	208,333	213,253	287,656	293,141
367000	Dist. Plt. - U/G Conduit.	8,984,701	9,011,786	9,022,951	9,050,542	9,209,082	9,423,467
	Prior year	8,438,531	8,477,319	8,529,927	8,662,480	8,685,240	8,796,410
	Change	546,170	534,468	493,024	388,062	523,842	627,057
368000	Dist. Plt. - Line Transfor	15,190,676	15,277,171	15,370,199	15,413,297	15,611,742	15,623,839
	Prior year	14,571,719	14,703,212	14,770,089	14,832,705	14,923,591	14,899,469
	Change	618,957	573,959	600,111	580,592	688,152	724,370
369000	Dist. Plt. - Services	6,241,438	6,278,911	6,304,424	6,342,697	6,408,917	6,468,811
	Prior year	5,703,540	5,739,271	5,793,810	5,841,174	5,878,822	5,946,218
	Change	537,899	539,640	510,614	501,523	530,095	522,593
370000	Dist. Plt. - Meters	2,889,956	2,903,743	2,927,497	2,931,311	2,942,261	2,934,243
	Prior year	2,793,740	2,797,084	2,793,757	2,798,916	2,818,608	2,824,069
	Change	96,216	106,659	133,740	132,395	123,653	110,175
371000	Dist. Plt - Instal. on Cusi	1,455,173	1,460,109	1,463,141	1,467,388	1,473,545	1,484,794
	Prior year	1,413,122	1,415,186	1,419,042	1,423,687	1,429,133	1,431,186
	Change	42,051	44,923	44,099	43,701	44,413	53,607

Acct. No.	Description	January	February	March	April	May	June
372000	Dist. Plt - Lsd. Prop. On Prior year Change	1,048 86,236 (85,188)	1,048 1,048 -	1,048 1,048 -	1,048 1,048 -	1,048 1,048 -	1,030 1,048 (17)
373000	Dist Plt - St. Light. & Sig Prior year Change	530,852 495,700 35,153	530,852 495,700 35,153	530,849 495,700 35,149	530,849 495,700 35,149	530,849 495,700 35,149	530,849 495,700 35,149
389000	Gen Plt - Land and Lanc Prior year Change	86,866 86,866 -	86,866 86,866 -	86,866 86,866 -	86,866 86,866 -	86,866 86,866 -	86,866 86,866 -
390000	Gen Plt - Structures & In Prior year Change	2,040,454 2,021,794 18,660	2,040,454 2,021,794 18,660	2,040,454 2,021,794 18,660	2,040,454 2,021,794 18,660	2,040,454 2,021,794 18,660	2,040,454 2,021,794 18,660
391000	Gen Plt - Office Furnitur Prior year Change	292,643 291,947 695	290,973 291,947 (975)	290,973 291,947 (975)	290,515 291,947 (1,433)	290,515 291,947 (1,433)	290,515 291,947 (1,433)
391100	Gen Plt - Computer Equ Prior year Change	414,372 396,029 18,343	414,709 396,029 18,680	416,673 396,218 20,454	419,204 398,415 20,789	419,204 399,759 19,445	419,104 400,066 19,038
392000	Gen Plt - Utility Transp. Prior year Change	1,823,987 1,693,398 130,589	1,823,987 1,693,398 130,589	1,823,987 1,693,398 130,589	1,823,987 1,693,398 130,589	1,991,066 1,809,963 181,103	1,991,066 1,809,963 181,103
392100	Gen Plt - Light Duty Trai Prior year Change	374,400 346,193 28,206	375,930 346,140 29,789	375,930 346,140 29,789	375,930 346,140 29,789	375,930 346,140 29,789	375,930 346,140 29,789
393000	Gen Plt - Stores Equipm Prior year Change	79,008 71,642 7,365	79,008 71,642 7,365	79,008 71,642 7,365	79,008 76,765 2,243	79,008 76,765 2,243	79,008 76,765 2,243

Acct. No.	Description	July	August	September	October	November	December
372000	Dist. Plt - Lsd. Prop. On	1,048	1,048	1,045	1,048	1,048	1,048
	Prior year	1,048	1,048	1,048	1,048	1,047	1,048
	Change	-	-	(2)	-	1	-
373000	Dist Plt - St. Light. & Sig	530,849	530,849	530,849	530,849	530,849	558,138
	Prior year	495,700	507,905	507,905	507,905	507,905	530,852
	Change	35,149	22,944	22,944	22,944	22,944	27,285
389000	Gen Plt - Land and Lanc	86,866	86,866	86,866	86,866	86,866	86,866
	Prior year	86,866	86,866	86,866	86,866	86,866	86,866
	Change	-	-	-	-	-	-
390000	Gen Plt - Structures & In	2,040,454	2,040,454	2,040,454	2,040,454	2,040,454	2,047,039
	Prior year	2,040,454	2,040,454	2,040,454	2,040,454	2,040,454	2,040,454
	Change	-	-	-	-	-	6,585
391000	Gen Plt - Office Furnitur	291,018	291,018	291,018	291,018	292,326	292,326
	Prior year	291,617	291,617	291,617	291,924	291,617	292,024
	Change	(599)	(599)	(599)	(906)	710	302
391100	Gen Plt - Computer Equ	419,370	440,425	440,425	440,425	442,887	322,290
	Prior year	400,485	400,485	401,798	409,794	413,275	413,275
	Change	18,885	39,940	38,627	30,631	29,612	(90,985)
392000	Gen Plt - Utility Transp.	2,005,113	2,005,113	2,164,322	2,074,026	2,079,856	2,079,856
	Prior year	1,809,963	1,809,963	1,809,963	1,807,812	1,923,976	1,825,870
	Change	195,150	195,150	354,359	266,214	155,880	253,985
392100	Gen Plt - Light Duty Trai	375,930	375,930	375,930	375,930	375,930	375,930
	Prior year	346,140	346,140	346,140	346,140	346,140	346,140
	Change	29,789	29,789	29,789	29,789	29,789	29,789
393000	Gen Plt - Stores Equipm	79,008	79,008	79,008	79,008	79,008	79,008
	Prior year	76,765	76,765	76,765	76,765	79,008	79,008
	Change	2,243	2,243	2,243	2,243	-	-

000365

Jackson Purchasing Energy Corporation
Case No. 2007-00116
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2006

Acct. No.	Description	January	February	March	April	May	June
394000	Gen Plt - Tools, Shop, C Prior year Change	432,842 411,828 21,014	433,426 416,940 16,486	433,840 418,940 14,900	433,840 420,750 13,090	436,758 424,977 11,781	439,601 425,974 13,627
395000	Gen Plt - Laboratory Eq Prior year Change	167,198 166,615 582	167,198 166,615 582	167,198 166,615 582	167,198 167,198 -	167,198 167,198 -	167,198 167,198 -
396000	Gen Plt - Power Operati Prior year Change	282,543 235,668 46,875	282,543 282,543 -	282,543 282,543 -	282,543 282,543 -	282,543 282,543 -	282,543 282,543 -
397000	Gen Plt - Communicatio Prior year Change	542,186 428,519 113,667	542,186 463,330 78,856	542,316 464,990 77,326	556,356 465,711 90,645	556,356 465,711 90,645	554,141 446,827 107,314
398000	Gen Plt - Miscellaneous Prior year Change	94,163 86,899 7,264	94,163 86,899 7,264	94,163 88,823 5,340	94,041 88,823 5,218	94,041 88,823 5,218	94,041 88,823 5,218
***	Total Utility Plant in Sen Prior year Change	99,198,033 95,456,064 3,741,969	99,497,291 95,696,388 3,800,903	99,625,279 95,770,367 3,854,911	99,858,002 95,943,491 3,914,511	100,242,517 96,257,815 3,984,702	100,478,455 96,578,147 3,900,308
107100	Construction WIP- Conti Prior year Change	255,308 101,696 153,612	259,076 122,139 136,936	366,942 127,888 239,055	466,174 228,244 237,929	639,620 239,786 399,834	716,577 317,168 399,409
107120	WIP - Future Sub-Statio Prior year Change	67,784 121,206 (53,422)	67,784 121,206 (53,422)	67,784 121,206 (53,422)	67,784 121,206 (53,422)	67,784 121,206 (53,422)	67,784 121,206 (53,422)
107130	WIP - Long Range Worl Prior year Change	- - -	- - -	- - -	- - -	- - -	- - -
107200	CWIP-Jackson Purchas Prior year Change	3,158,656 367,922 2,790,734	3,686,516 540,389 3,146,127	3,984,029 649,309 3,334,720	4,085,191 1,044,395 3,040,796	4,116,210 1,142,869 2,973,341	4,179,921 911,541 3,268,380

000366

Jackson Purchasing Energy Corporation
Case No. 2007-00116
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2006

Acct. No.	Description	July	August	September	October	November	December
394000	Gen Plt - Tools, Shop, E Prior year	440,818	447,429	449,352	449,806	450,124	451,976
	Change	425,974	425,974	427,414	427,414	427,414	429,355
		14,844	21,455	21,937	22,392	22,710	22,621
395000	Gen Plt - Laboratory Eqi Prior year	167,198	167,198	167,198	167,198	167,198	167,198
	Change	-	-	942	1,862	1,862	1,862
396000	Gen Plt - Power Operati Prior year	282,543	287,695	287,695	287,695	287,695	287,695
	Change	282,543	282,543	282,543	282,543	282,543	282,543
		-	5,152	5,152	5,152	5,152	5,152
397000	Gen Plt - Communicatio Prior year	554,141	554,757	556,927	557,974	557,974	589,509
	Change	446,117	446,980	448,778	501,126	501,126	540,789
		108,024	107,777	108,149	56,848	56,848	48,720
398000	Gen Plt - Miscellaneous Prior year	94,041	94,822	94,822	94,822	94,822	94,242
	Change	88,823	93,540	147,255	93,540	94,163	94,163
		5,218	1,282	(52,433)	1,282	659	79
***	Total Utility Plant in Sen Prior year	100,733,735	101,087,689	101,511,189	101,653,187	102,397,680	105,262,626
	Change	96,884,407	97,280,514	97,640,402	97,973,732	98,433,906	98,969,451
		3,849,328	3,807,175	3,870,787	3,679,454	3,963,774	6,293,176
107100	Construction WIP- Conti Prior year	768,693	1,021,771	1,257,735	1,260,273	1,147,907	534,275
	Change	291,685	288,064	335,411	335,164	363,333	240,717
		477,009	733,707	922,324	925,110	784,574	293,558
107120	WIP - Future Sub-Statio Prior year	67,784	67,784	67,784	67,784	67,784	67,784
	Change	121,206	121,206	121,206	121,206	67,800	67,784
		(53,422)	(53,422)	(53,422)	(53,422)	(16)	-
107130	WIP - Long Range Wor Prior year	-	-	-	-	44,289	40,882
	Change	-	-	-	-	-	-
		-	-	-	-	44,289	40,882
107200	CWIP-Jackson Purchas Prior year	4,164,740	4,173,179	4,296,872	4,556,145	4,362,862	2,597,236
	Change	1,199,711	1,539,833	1,573,300	1,783,655	2,236,714	2,521,060
		2,965,029	2,633,346	2,723,573	2,772,489	2,126,148	76,176

000367

Acct. No.	Description	January	February	March	April	May	June
107231	Contributions in Aid - C						
	Prior year	(14,879)	(32,733)	(35,507)	(37,186)	(40,372)	(33,097)
	Change	(10,396)	(6,749)	(7,133)	(17,429)	(142,384)	(154,327)
		(4,483)	(25,984)	(28,374)	(19,757)	102,012	121,230
107300	WIP - Special Equipmer						
	Prior year	-	-	-	-	-	-
	Change	-	-	-	-	-	-
107400	CIP - FAS 106 Implmentat						
	Prior year	-	-	-	-	-	-
	Change	-	-	159	-	-	-
		-	-	(159)	-	-	-
108800	Retire. WIP-JPECC Cre						
	Prior year	18,391	26,097	37,211	35,227	37,840	51,838
	Change	19,723	24,482	33,834	41,622	16,900	40,815
		(1,332)	1,615	3,377	(6,395)	20,940	11,024
108810	Retire. WIP-Contractors						
	Prior year	19,706	19,805	28,316	29,317	36,959	37,211
	Change	16,383	27,353	28,399	37,008	39,471	56,277
		3,323	(7,549)	(83)	(7,691)	(2,512)	(19,066)

Acct. No.	Description	July	August	September	October	November	December
107231	Contributions in Aid - C	(42,246)	(65,708)	(59,361)	(54,511)	(70,004)	(72,831)
	Prior year	(69,369)	(36,046)	(20,152)	(36,445)	(49,845)	(3,680)
	Change	27,123	(29,662)	(39,209)	(18,066)	(20,159)	(69,150)
107300	WIP - Special Equipmer	-	-	-	-	-	-
	Prior year	-	-	-	-	-	-
	Change	-	-	-	-	-	-
107400	CIP - FAS 106 Implementat	-	-	-	-	-	-
	Prior year	-	-	-	-	-	-
	Change	-	-	-	-	-	-
108800	Retire. WIP-JPECC Cre	42,584	53,542	67,852	66,438	49,036	19,616
	Prior year	46,181	40,898	27,088	29,394	30,440	13,122
	Change	(3,598)	12,644	40,764	37,044	18,597	6,495
108810	Retire. WIP-Contractors	38,176	38,097	46,256	46,256	30,520	17,093
	Prior year	47,567	39,242	52,249	52,244	50,047	19,477
	Change	(9,391)	(1,146)	(5,993)	(5,989)	(19,528)	(2,385)

Acct. No.	Description	January	February	March	April	May	June
***	Total Construction Work	3,504,966	4,026,544	4,448,774	4,646,506	4,858,040	5,020,235
	Prior year	616,533	828,820	953,662	1,455,047	1,417,848	1,292,679
	Change	2,888,433	3,197,724	3,495,112	3,191,459	3,440,192	3,727,556
****	Total Utility Plant	102,702,999	103,523,835	104,074,053	104,504,508	105,100,557	105,498,689
	Prior year	96,072,598	96,525,208	96,724,030	97,398,538	97,675,663	97,870,826
	Change	6,630,402	6,998,626	7,350,024	7,105,970	7,424,894	7,627,863
108600	Accum Depr For Distrib	-	-	-	-	-	341
	Prior year	-	-	-	-	236	348
	Change	-	-	-	-	(236)	(7)
108662	Accum Depr-Station Equ	(1,195,095)	(1,207,921)	(1,221,090)	(1,232,937)	(1,245,781)	(1,258,955)
	Prior year	(1,161,595)	(1,174,626)	(1,172,795)	(1,185,829)	(1,198,863)	(1,172,680)
	Change	(33,500)	(33,295)	(48,295)	(47,108)	(46,918)	(86,275)
108664	Accum Depr-Poles, Tow	(9,937,606)	(10,007,631)	(10,085,319)	(10,152,604)	(10,228,000)	(10,306,388)
	Prior year	(9,259,823)	(9,326,591)	(9,395,639)	(9,460,376)	(9,531,992)	(9,579,212)
	Change	(677,783)	(681,040)	(689,680)	(692,227)	(696,008)	(727,176)
108665	Accum Depr-O/H Condu	(5,295,234)	(5,333,929)	(5,369,504)	(5,397,768)	(5,466,432)	(5,505,120)
	Prior year	(4,948,859)	(4,985,135)	(5,021,215)	(5,057,615)	(5,088,667)	(5,113,340)
	Change	(346,374)	(348,794)	(348,289)	(340,153)	(377,765)	(391,780)
108666	Accum Depr-Undergrou	(589,042)	(594,690)	(600,353)	(606,044)	(611,752)	(617,479)
	Prior year	(524,003)	(529,410)	(534,837)	(540,277)	(544,926)	(550,380)
	Change	(65,039)	(65,279)	(65,516)	(65,766)	(66,826)	(67,098)
108667	Accum Depr-U/G Condu	(2,209,485)	(2,229,255)	(2,248,837)	(2,270,021)	(2,292,209)	(2,315,365)
	Prior year	(2,063,949)	(2,085,901)	(2,026,214)	(2,048,036)	(2,063,997)	(2,082,773)
	Change	(145,535)	(143,354)	(222,623)	(221,985)	(228,213)	(232,591)
108668	Accum Depr-Line Transi	(3,592,328)	(3,618,976)	(3,547,735)	(3,574,344)	(3,599,922)	(3,627,785)
	Prior year	(3,565,272)	(3,589,002)	(3,539,020)	(3,562,985)	(3,588,103)	(3,610,680)
	Change	(27,055)	(29,974)	(8,715)	(11,360)	(11,819)	(17,104)
108669	Accum Depr- Services	(2,303,969)	(2,313,327)	(2,323,015)	(2,331,380)	(2,353,533)	(2,362,394)
	Prior year	(2,212,450)	(2,221,543)	(2,230,202)	(2,236,585)	(2,244,504)	(2,251,175)
	Change	(91,519)	(91,784)	(92,813)	(94,796)	(109,029)	(111,220)

Jackson Purchases... Energy Corporation
Case No. 2007-00116
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2006

Acct. No.	Description	July	August	September	October	November	December
***	Total Construction Work	5,039,731	5,288,665	5,677,138	5,942,385	5,632,393	3,204,055
	Prior year	1,636,981	1,993,197	2,089,100	2,285,218	2,698,489	2,858,480
	Change	3,402,750	3,295,468	3,588,038	3,657,167	2,933,904	345,575
****	Total Utility Plant	105,773,466	106,376,354	107,188,327	107,595,572	108,030,074	108,466,681
	Prior year	98,521,388	99,273,711	99,729,502	100,258,950	101,132,395	101,827,930
	Change	7,252,078	7,102,643	7,458,825	7,336,622	6,897,679	6,638,750
108600	Accum Depr For Distrib	347	-	-	-	0	0
	Prior year	29	340	-	-	-	-
	Change	318	(340)	-	-	-	-
108662	Accum Depr-Station Equ	(1,239,980)	(1,253,153)	(1,256,752)	(1,269,948)	(1,280,848)	(1,264,923)
	Prior year	(1,187,182)	(1,200,275)	(1,205,811)	(1,216,894)	(1,176,105)	(1,164,968)
	Change	(52,798)	(52,878)	(50,942)	(53,054)	(104,742)	(99,955)
108664	Accum Depr-Poles, Tow	(10,373,699)	(10,449,071)	(10,526,077)	(10,598,561)	(10,645,532)	(10,628,842)
	Prior year	(9,619,328)	(9,658,551)	(9,722,748)	(9,786,249)	(9,860,036)	(9,860,117)
	Change	(754,371)	(790,520)	(803,330)	(812,311)	(785,496)	(768,725)
108665	Accum Depr-O/H Condu	(5,542,074)	(5,581,634)	(5,618,946)	(5,650,396)	(5,667,075)	(5,642,593)
	Prior year	(5,137,476)	(5,157,779)	(5,191,938)	(5,222,451)	(5,265,146)	(5,255,456)
	Change	(404,598)	(423,855)	(427,008)	(427,944)	(401,929)	(387,138)
108666	Accum Depr-Undergrou	(623,234)	(629,029)	(634,857)	(640,689)	(646,540)	(652,016)
	Prior year	(555,841)	(561,322)	(566,807)	(572,332)	(577,868)	(583,417)
	Change	(67,393)	(67,707)	(68,049)	(68,357)	(68,671)	(68,600)
108667	Accum Depr-U/G Condu	(2,339,143)	(2,361,357)	(2,385,070)	(2,407,449)	(2,426,712)	(2,448,411)
	Prior year	(2,102,884)	(2,121,782)	(2,138,767)	(2,159,441)	(2,182,428)	(2,187,176)
	Change	(236,259)	(239,575)	(246,303)	(248,009)	(244,285)	(261,235)
108668	Accum Depr-Line Transi	(3,609,205)	(3,635,188)	(3,659,513)	(3,667,889)	(3,701,881)	(3,610,938)
	Prior year	(3,631,906)	(3,651,918)	(3,666,981)	(3,688,699)	(3,712,999)	(3,568,221)
	Change	22,700	16,730	7,468	20,810	11,117	(42,717)
108669	Accum Depr- Services	(2,371,211)	(2,380,320)	(2,390,924)	(2,398,287)	(2,406,315)	(2,415,868)
	Prior year	(2,258,611)	(2,266,407)	(2,274,351)	(2,279,348)	(2,288,385)	(2,293,694)
	Change	(112,599)	(113,914)	(116,574)	(118,940)	(117,930)	(122,174)

Acct. No.	Description	January	February	March	April	May	June
108670	Accum Depr-Meters Prior year	(1,077,035)	(1,087,290)	(1,094,252)	(1,103,442)	(1,111,435)	(1,121,793)
	Change	(982,548) (94,487)	(992,427) (94,864)	(997,706) (96,546)	(1,007,624) (95,818)	(1,017,583) (93,852)	(1,027,569) (94,224)
108671	Accum Depr-Installation Prior year	(626,427)	(631,649)	(637,449)	(642,719)	(648,183)	(654,673)
	Change	(554,576) (71,851)	(589,108) (42,541)	(595,038) (42,411)	(597,828) (44,890)	(601,865) (46,317)	(607,651) (47,023)
108672	Accum Depr-Leased Pr Prior year	102,069	102,060	102,052	102,043	102,034	102,025
	Change	72,860 29,209	102,165 (105)	102,156 (105)	102,148 (105)	102,139 (105)	102,130 (105)
108673	Accum Depr-Street Ligh Prior year	(96,977)	(97,614)	(97,403)	(98,040)	(98,677)	(99,314)
	Change	(91,812) (5,165)	(92,406) (5,207)	(93,001) (4,402)	(93,596) (4,444)	(94,191) (4,486)	(94,786) (4,529)
108710	Accum Depr For Office I Prior year	(166,822)	(166,808)	(167,862)	(168,806)	(169,851)	(170,898)
	Change	(154,118) (12,704)	(155,206) (11,602)	(156,294) (11,568)	(157,379) (11,427)	(158,479) (11,372)	(159,552) (11,346)
108711	Acc Depr For Computer Prior year	(333,538)	(335,568)	(338,788)	(340,967)	(343,255)	(345,520)
	Change	(292,243) (41,295)	(295,748) (39,820)	(299,248) (39,540)	(302,758) (38,209)	(306,135) (37,120)	(309,546) (35,974)
108715	Contra Accum Depr - Off Prior year	12,217	12,010	11,803	11,596	11,389	11,182
	Change	14,702 (2,485)	14,495 (2,485)	14,288 (2,485)	14,081 (2,485)	13,874 (2,485)	13,667 (2,485)
108716	Contra Accum Depr - Cc Prior year	(81,722)	(80,337)	(78,952)	(77,567)	(76,181)	(74,796)
	Change	(98,343) 16,621	(96,958) 16,621	(95,573) 16,621	(94,188) 16,621	(92,803) 16,621	(91,418) 16,621
108720	Accum Depr - Utility Tra Prior year	(898,643)	(912,241)	(925,838)	(939,436)	(953,033)	(966,631)
	Change	(916,383) 17,740	(928,753) 16,512	(941,082) 15,244	(953,411) 13,975	(965,740) 12,707	(978,070) 11,439

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Acct. No.	Description	July	August	September	October	November	December
108670	Accum Depr-Meters Prior year Change	(1,130,645) (1,037,658) (92,987)	(1,141,097) (1,037,956) (103,141)	(1,151,599) (1,044,242) (107,356)	(1,155,161) (1,054,357) (100,804)	(1,165,763) (1,064,479) (101,283)	(1,163,276) (1,066,821) (96,455)
108671	Accum Depr-Installation Prior year Change	(656,197) (612,852) (43,344)	(659,741) (618,075) (41,666)	(666,136) (622,603) (43,533)	(669,692) (625,168) (44,525)	(669,539) (629,989) (39,550)	(668,690) (620,867) (47,823)
108672	Accum Depr-Leased Pr Prior year Change	102,017 102,121 (105)	102,008 102,113 (105)	101,999 102,104 (105)	101,991 102,095 (105)	101,982 102,087 (105)	101,973 102,078 (105)
108673	Accum Depr-Street Ligh Prior year Change	(99,951) (95,381) (4,571)	(100,588) (95,975) (4,613)	(101,225) (96,585) (4,640)	(101,862) (97,194) (4,668)	(102,499) (97,804) (4,695)	(103,136) (96,340) (6,797)
108710	Accum Depr For Office I Prior year Change	(171,945) (160,412) (11,533)	(172,994) (161,490) (11,504)	(174,042) (162,565) (11,476)	(175,090) (163,631) (11,458)	(176,143) (164,695) (11,448)	(177,198) (165,761) (11,437)
108711	Acc Depr For Computer Prior year Change	(347,765) (312,957) (34,808)	(350,337) (316,356) (33,982)	(352,893) (319,775) (33,118)	(355,419) (323,284) (32,135)	(357,945) (326,797) (31,148)	(242,531) (330,311) 87,781
108715	Contra Accum Depr -Off Prior year Change	10,975 13,460 (2,485)	10,768 13,253 (2,485)	10,561 13,046 (2,485)	10,354 12,839 (2,485)	10,147 12,632 (2,485)	9,940 12,425 (2,485)
108716	Contra Accum Depr - C Prior year Change	(73,411) (90,033) 16,621	(72,026) (88,647) 16,621	(70,641) (87,262) 16,621	(69,256) (85,877) 16,621	(67,871) (84,492) 16,621	(66,486) (83,107) 16,621
108720	Accum Depr - Utility Tra Prior year Change	(980,346) (990,399) 10,053	(994,060) (1,002,728) 8,668	(961,755) (1,015,057) 53,302	(887,140) (949,010) 61,870	(902,870) (963,425) 60,555	(918,600) (886,929) (31,671)

000373

Jackson Purchases Energy Corporation
Case No. 2007-00116
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2006

Acct. No.	Description	January	February	March	April	May	June
108721	Accum Depr - Light Duty Prior year	(161,389)	(166,594)	(172,668)	(178,742)	(183,947)	(189,586)
	Change	(147,939)	(152,986)	(158,033)	(163,081)	(168,128)	(173,175)
		(13,450)	(13,608)	(14,635)	(15,662)	(15,819)	(16,411)
108723	Accum Depr - Contra Tr. Prior year	296,464	291,430	286,395	281,360	276,325	271,290
	Change	356,882	351,847	346,813	341,778	336,743	331,708
		(60,418)	(60,418)	(60,418)	(60,418)	(60,418)	(60,418)
108730	Accum Depr For Structo Prior year	(1,156,832)	(1,158,894)	(1,165,334)	(1,169,585)	(1,173,836)	(1,178,087)
	Change	(1,106,054)	(1,110,266)	(1,114,478)	(1,118,690)	(1,122,902)	(1,127,114)
		(50,778)	(48,628)	(50,856)	(50,934)	(50,934)	(50,973)
108735	Contra - Accum Depr St Prior year	(54,337)	(53,416)	(52,495)	(51,574)	(50,654)	(49,733)
	Change	(65,389)	(64,468)	(63,547)	(62,626)	(61,705)	(60,784)
		11,052	11,052	11,052	11,052	11,052	11,052
108740	Accum Depr For Shop E Prior year	(291,459)	(293,191)	(294,923)	(296,645)	(298,362)	(300,133)
	Change	(269,512)	(271,361)	(273,220)	(275,081)	(276,960)	(278,846)
		(21,946)	(21,831)	(21,704)	(21,564)	(21,422)	(21,287)
108745	Contra - Accum Depr - T Prior year	40,694	40,005	39,315	38,625	37,935	37,246
	Change	48,971	48,282	47,592	46,902	46,212	45,523
		(8,277)	(8,277)	(8,277)	(8,277)	(8,277)	(8,277)
108750	Accum Depr For Labora Prior year	(112,815)	(113,591)	(114,367)	(115,139)	(115,912)	(116,685)
	Change	(103,507)	(104,281)	(105,054)	(105,830)	(106,607)	(107,383)
		(9,308)	(9,310)	(9,313)	(9,309)	(9,305)	(9,302)
108755	Contra Accum Depr - La Prior year	10,087	9,916	9,745	9,574	9,403	9,232
	Change	12,139	11,968	11,797	11,626	11,455	11,284
		(2,052)	(2,052)	(2,052)	(2,052)	(2,052)	(2,052)
108760	Accum Depr for Commu Prior year	(194,554)	(196,648)	(198,742)	(200,854)	(202,966)	(205,285)
	Change	(181,770)	(183,626)	(185,564)	(187,505)	(189,446)	(191,827)
		(12,784)	(13,022)	(13,179)	(13,350)	(13,520)	(13,827)
108765	Contra Accum Depr - C Prior year	342,427	336,623	330,819	325,015	319,211	313,408
		412,073	406,269	400,465	394,661	388,858	383,054